

This General Information Document is prepared in conformity with SEBI CIRCULAR SEBI/HO/DDHS/POD1/P/CIR/2024/54 dated May 22, 2024 (“SEBI Master Circular”) and other applicable SEBI circulars as amended/modified/supplemented from time to time.

Ref No.: APMDC/GID/01/2025-26

General Information Document dated: 22 April, 2025

## GENERAL INFORMATION DOCUMENT



(Registered in the Republic of India as The Andhra Pradesh Mineral Development Corporation Limited  
Incorporated under the provisions of Companies Act, 1956

For more information about our Company, please refer “*Issuer Information*” given in Section 7 of this General Information Document

**Principal Place of Business:** Vijaywada, Andhra Pradesh

**Corporate Office:** # 294/1D, 100 Feet Tadigadapa to Enikepadu Road, Tadigadapa, Vijayawada – 521 137, Andhra Pradesh

**Date and Place of Incorporation:** 24.02.1961, Hyderabad, Andhra Pradesh

**Registered Office:** D.No.6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India, 500004

**Telephone:** +91(0)866- 2429999 **Website:** www.apmdc.ap.gov.in || **Email:** cslegal-ho@apmdc.in

**PAN:** AAAC7391N | **CIN:** U13209TG1961SGC000871

GENERAL INFORMATION DOCUMENT DATED 22.04.2025 BY THE ISSUER FOR PRIVATE PLACEMENT OF SENIOR, SECURED, RATED, LISTED, TAXABLE, REDEEMABLE, BONDS IN MULTIPLE SERIES/ TRANCHES (AS APPLICABLE) (“BONDS/ NON CONVERTIBLE DEBENTURES (NCD)/ DEBENTURES”) FOR FACE VALUE OF 1,00,000/- AS PER RELEVANT KEY INFORMATION DOCUMENT BY WAY OF PRIVATE PLACEMENT (“THE ISSUE”). THIS ISSUANCE WOULD BE UNDER THE ELECTRONIC BOOK MECHANISM FOR ISSUANCE OF DEBT SECURITIES ON PRIVATE PLACEMENT BASIS AS PER SEBI CIRCULAR SEBI/HO/DDHS/POD1/P/CIR/2024/54 dated May 22, 2024 (“SEBI MASTER CIRCULAR”) ISSUED BY SEBI UNDER SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AND ANY AMENDMENTS THERETO (“SEBI DEBT REGULATIONS”).

NEITHER THE ISSUER NOR ANY OF ITS PROMOTERS OR DIRECTORS HAS BEEN DECLARED AS A WILFUL DEFAULTER.

This General Information Document contains relevant information and disclosures required for issue of the Debentures. The Issue described under the Issue Document has been authorised by the Issuer through a resolution of the Board of Directors of the Issuer dated 21.02.2025 of Debt Securities as shall be annexed to the Key Information Document for such series/ tranche (as applicable). It is hereby clarified that Section 26 of the Companies Act is not applicable to the Issue, and therefore no additional disclosures have been made in relation to Section 26 of the Companies Act under this Key Information Document and accordingly, a copy of this Key Information Document has not been filed with the Registrar of Companies.

## GENERAL RISKS

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 6 on page no 9 of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

## CREDIT RATING

The Debentures have been rated as mentioned in the Key Information Document by the Credit Rating Agencies mentioned in the Key Information Document. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Credit Rating Agency and the rating should be evaluated independently of any other rating. The Credit Rating Agency has the right to suspend, withdraw the rating at any time on the basis of new information etc. As per the Key Information Document for rationale for the above rating, the press release for the same can also be accessed at the links mentioned in the Key Information Document.

## LISTING

The Debentures offered through this General Information Document and the relevant Key Information Document are initially proposed to be listed on the debt market segment of the Stock Exchange as per the Key Information Document. The Issuer, with prior notice to the Debenture Trustee and the Debenture Holders, may get the Debentures listed on other material stock exchanges as it deems fit. The Issuer shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis. The Issuer intends to use electronic book mechanism as available on the website of the Stock Exchange(s).

## ISSUE SCHEDULE

ISSUE OPENING DATE	ISSUE CLOSING DATE	ISSUE EARLIEST CLOSING DATE	PAY-IN DATE	DEEMED DATE OF ALLOTMENT
As per the Key Information Document	As per the Key Information Document	As per the Key Information Document	As per the Key Information Document	As per the Key Information Document

## DETAILS ABOUT ARRANGER AND ELIGIBLE INVESTORS

**Arrangers:** As per the Key Information Document

**Eligible Investors:** The Eligible Investors are the ‘eligible investors’ as defined in the Key Information Document

**Underwriting:** As per the relevant Key Information Document.

COUPON RATE / TYPE	COUPON PAYMENT FREQUENCY	REDEMPTION DATE	REDEMPTION AMOUNT
As per the Key Information Document	As per the Key Information Document	As per the Key Information Document	As per the Key Information Document
THE NATURE, NUMBER, PRICE AND AMOUNT OF SECURITIES OFFERED, AND ISSUE SIZE (BASE ISSUE OR GREEN SHOE), AS MAY BE APPLICABLE.			
As per relevant Key Information Document			

**Compliance Clause of EBP:** The Issue is made on the Electronic Book Building Mechanism (“EBP Platform”) of stock exchange as mentioned in the relevant Key Information Document in compliance with SEBI Debt Regulations and EBP Guidelines. This General Information Document and the relevant Key Information Document for each tranche or issuance of Debt Securities will be uploaded on the EBP of stock exchange in compliance with the applicable EBP Guidelines

The Issue shall be subject to the terms and conditions of this General Information Document and the relevant Key Information Document filed with the Stock Exchange(s), the Application Form, and other terms and conditions as may be incorporated in the Debenture Trust Deed and other documents in relation to each such Issue.

DETAILS OF KMP				AUDITOR
COMPLIANCE OFFICER	COMPANY SECRETARY	CHIEF FINANCIAL OFFICER	PROMOTER	
Name: Sri V.V.V. Phani Kumar* Telephone Number: +91 8106599009 Email address: <a href="mailto:gfinance@apmdc.in">gfinance@apmdc.in</a> *Since the Company is in the process of appointment of a company secretary Sri V.V.V. Phani Kumar has been appointed as the Compliance Officer for the purpose of the issue for the interim period.	In the process of appointment	Name: Sri V.V.V. Phani Kumar* Telephone Number: +91 8106599009 Email address: <a href="mailto:gfinance@apmdc.in">gfinance@apmdc.in</a>	Name: Government of Andhra Pradesh#	Name: M/s. M.N. Rao & Associates, Chartered Accountants Telephone Number: +9196766 01234 Email address: <a href="mailto:audit@mnrao.in">audit@mnrao.in</a> Contact Person: Mr Santhosh Peer Review No.: 019822

\*: The Company is not required to appoint a Chief Financial Officer (CFO) in terms of the provisions of Companies Act, 2013. Accordingly, Mr V.V.V Phani Kumar, General Manager (Finance and Accounts) is overseeing the finance function in the Company.

#: Governor of the Andhra Pradesh- represented by assistant secretary to Government (Mines), Industry and Commerce Department.

## VALIDITY OF GENERAL INFORMATION DOCUMENT

This General Information Document shall be valid for a period of 1 (one) year from the Issue Opening Date of the first Issuance of Debentures under this General Information Document. The Issuer shall file with the Stock Exchange, the Key Information Document with respect to each Issuance, containing details of the offer of such Issuance including any material developments, material changes, if any, in the information including the financial information provided in this General Information Document.

## DETAILS OF INTERMEDIARIES

DEBENTURE TRUSTEE TO THE ISSUE	CREDIT RATING AGENCY	CREDIT RATING AGENCY	REGISTRAR TO THE ISSUE
As per the Key Information Document	As per the Key Information Document	As per the Key Information Document	As per the Key Information Document

The Issue of the Debentures shall be subject to the provisions of the SEBI Debt Regulations, SEBI LODR Regulations, the terms and conditions of this GID and as modified/ supplemented by the terms of the respective Key Information Document to be filed with the Stock Exchanges, the Debenture Trust Deed and the Transaction Documents in relation to the Issue. Capitalized terms used here have the meaning ascribed to them in this GID read with the relevant KID.

The Issuer reserves its sole and absolute right to modify (pr -pone/ postpone) the issue schedule for each Tranche of Debt Securities without giving any reasons or prior notice in accordance with applicable law. The issuer also reserves its sole and absolute right to change the Deemed Date of Allotment/Pay in date of each Tranche of Debt Securities without giving any reasons or prior notice.

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**Issuer's Absolute Responsibility**

*The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this General Information Document read with the applicable Key Information Document contains all information with regard to the Issuer and the issue which is material in the context of the Issue, that the information contained in the General Information Document read with the applicable Key Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.*

**1. DEFINITIONS AND ABBREVIATIONS**

In this General Information Document, unless the context otherwise requires, the terms defined, and abbreviations expanded below, have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

**1.1 Issuer Related Terms**

Term	Description
Auditors	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
Directors/ Board of Directors/ Board	The Board of Directors of the Company for the time being and from time to time.
Issuer	The Andhra Pradesh Mineral Development Corporation Limited
Related Party	The related parties of the Issuer as per its financials forming part of this General Information Document and Key Information Document(s) for the relevant series/ tranche (as applicable).

**1.2 Other Terms**

Term	Description
Allot/ Allotment/ Allotted	Means the allotment of the Debt Securities pursuant to this Issue.
Applicable Law/ Applicable Laws	Means any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, notification, direction, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Information Memorandum or at any time thereafter in India.
Beneficial Owner(s)	Person(s) holding the Debt Securities and whose name(s) is recorded as "Beneficial Owner" with the Depository (for the Debt Securities held in dematerialized form) as defined under clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.
Business Day/Working Day	shall mean all days on which commercial banks in Mumbai are open for business. In respect of bid/ issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.
Coupon	Means the 'Coupon' as set out in the relevant Key Information Document.
Coupon Rate	Means the 'Coupon Rate' as set out in the relevant Key Information Document.
Credit Rating Agencies	Means the 'Credit Rating Agencies' as set out in the relevant Key Information Document.
Debenture Holders	Means the Eligible Investors who are, for the time being and from time to time, the holders of the Debt Securities.

Term	Description
Debenture Documents/ Debt Securities Documents	Means the 'Debenture Documents'/ 'Debt Security Documents'/ 'Debt Securities Documents', as defined in the Key Information Document for the relevant series/ tranche (as applicable).
Debenture Trustee	Means the trustee registered under the Debenture Trustee Regulations and acting for and on behalf of and for the benefit of the relevant Debenture Holders, as set out in the applicable Key Information Document.
Debenture Trustee Agreement/ Trustee Agreement	For each series/ tranche (as applicable), the debenture trustee agreement to be entered between the Issuer and the Debenture Trustee for the appointment of the Debenture Trustee.
Debt Security Trust Deed/ Debenture Trust Deed	Means the trust deed to be entered between the Issuer and the Debenture Trustee.
Debenture Trustee Master Circular	Means the Master Circular for Debenture Trustees' dated May 16, 2024 bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46, as amended from time to time.
Debenture Trustee Regulations	Means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Deemed Date of Allotment/ Pay-In Date	Means the 'Deemed Date of Allotment' and 'Pay-In Date' as set out in the relevant Key Information Document.
Depository	Means a depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time, in this case being NSDL or CDSL.
Designated Stock Exchange	As per the relevant Key Information Document.
EBP Guidelines	Means the Guidelines for Electronic Bidding Platform issued by the relevant stock exchange and as updated, amended or modified from time to time.
Eligible Investor	Means the 'Eligible Investors', as defined in the Key Information Document for the relevant series/ tranche (as applicable).
Event of Default	Means events of default as set out in the Key Information Document for the relevant series/ tranche (as applicable) and the applicable Debt Security Trust Deed.
Exchange(s)/ Stock Exchange	National Stock Exchange of India Limited.
Governmental Authority	Means any: <ul style="list-style-type: none"> <li>a) government (central, federal, state or otherwise) or sovereign state;</li> <li>b) any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof;</li> <li>c) international organisation, agency or authority, or</li> </ul> Including, without limitation, central bank, any stock exchange or any self-regulatory organization, established under any Applicable Law.
Identified Investors	Persons who are Eligible Investors or retail investors as the context may require under the Key Information Document for the relevant series/ tranche (as applicable).
Issue	Means issue of a series/ tranche (as applicable) of the Debt Securities by the Issuer pursuant to the terms of this General Information Document and the applicable Key Information Document.
Issue Document/ Offer Document	Means this General Information Document dated 22.04.2025 and/ or the applicable Key Information Document, as the context requires.
Key Information Document	Means a document to be issued under this General Information Document and containing inter alia the terms and conditions regarding each series/ tranche (as applicable) of Debentures be issued under the Issue.
NCD	Non-Convertible Debentures/ Non-Convertible Debt Securities
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
Record Date	The 'Record Date', as defined in the Key Information Document for the relevant series/ tranche (as applicable).

Term	Description
Redemption Dates	The dates on which the Debt Securities in a particular series/ tranche (as applicable) are redeemed in accordance with the Redemption Schedule annexed to the Key Information Document for that series/ tranche (as applicable) of Debt Securities.
Registrar/Registrar to the Issue	Means the registrar to the Issue as specified in the Key Information Document
SEBI Act	Means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Debt Regulations	Means SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 issued by SEBI, as amended from time to time.
SEBI LODR Regulations	Means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by SEBI, as amended from time to time.
SEBI Regulations/SEBI Guidelines	Means collectively, SEBI Act, SEBI Debt Regulations, SEBI LODR Regulations, Debenture Trustee Master Circular and Debenture Trustee Regulations, each as amended from time to time.
Series/Tranche	Any Series/Tranche of Debentures issued under the Issue pursuant to the issue of a Key Information Document.
Transaction Documents	Means the 'Transaction Documents', as defined in the Key Information Document for the relevant series/ tranche (as applicable).
QIB	Qualified Institutional Buyer.
Wilful defaulter	shall have the same meaning as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

### 1.3 Conventional General Terms and Abbreviations

Abbreviation	Full form
Court	Supreme Court of India or any other court of tribunal as the context may require
Cr.	Crore
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification Number
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBP	Electronic Book Provider
ECS	Electronic Clearing System
EPC	Engineering, Procurement and Construction
Financial Year/ Fiscal Year/ FY	Period of 12 (twelve) months commencing from 1 April of each year and ending on 31 March of the immediately next year
GAAR	General Anti Avoidance Rule
GAAS	Generally Accepted Accounting Standards
GIR	General Index Register Number
ICCL	Indian Clearing Corporation Limited
Ind AS	Indian Accounting Standards
KYC	Know Your Customer
N.A.	Not Applicable
NCDs	Non-Convertible Debentures
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
O&M	Operation and Maintenance
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India constituted under the RBI Act
RFPs	Request for Proposals
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement

Abbreviation	Full form
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
TDS	Tax Deducted at Source
U.S.	United States of America
WPI	Wholesale Price Index
WPI Adjustment	Each year and are subject to an adjustment in accordance with the Fee Rules on April 1 of each year based on the difference in the WPI between the week ending on January 6, 2007 and the week ending on or immediately after January 1 of such year of adjustment.

## 2. DISCLAIMERS

### NOTICE TO INVESTORS AND DISCLAIMERS

The Issue Document contains relevant information and disclosures required for the purpose of issuing of the Debt Securities. Any application by a person to whom the Issue Document has not been sent by the Issuer shall be rejected without assigning any reason.

The Issue described under the Issue Document has been authorised by the Issuer through a resolution of the Board of Directors dated 21.02.2025, or such other resolutions for a series/ tranche (as applicable) of Debt Securities as shall be annexed to the Key Information Document for such series/ tranche (as applicable).

The Issue Document is neither a prospectus nor a statement in lieu of a prospectus. This General Information Document is prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, read with applicable SEBI circulars as amended/modified/supplemented from time to time. The offering of Debt Securities, to be listed on the Debt Market (“DM”) segment of NSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. Nothing in the Issue Document shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debt Securities in general under any law for the time being in force.

The contents of the Issue Document are intended to be used only by those Identified Investors to whom the Issue Document is issued. It is not intended for distribution to any other person and should not be reproduced by the recipient. No invitation is being made to any person other than the Identified Investor to whom the Issue Document has been sent. Any application by a person to whom the Issue Document has not been sent by the Issuer shall be rejected without assigning any reason. Invitations, offers and sales of the Debt Securities shall only be made pursuant to the Issue Document. The person who is in receipt of the Issue Document shall maintain utmost confidentiality regarding the contents of the Issue Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer. All Identified Investors are required to comply with the relevant regulations and guidelines applicable to them for investing in this Issue. It is the responsibility of the Identified Investors to have obtained all consents, approvals or authorizations required by them to participate in the Issue. The Issue Document is issued by the Issuer. The Issue Document does not purport to contain all the information that any Identified Investor may require. Further, the Issue Document has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

The Issuer confirms that the information contained in the Issue Document is true and correct in all material respects and is not misleading in any material respect to the best of its understanding. All information considered adequate and relevant about the Issue and the Issuer has been made available in the Issue Document for the use and perusal of the Identified Investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer does not undertake to update the Issue Document to reflect subsequent events after the date of the Issue Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE ISSUER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS GENERAL INFORMATION DOCUMENT ARE GENERALLY**

**ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**DISCLAIMER STATEMENT FROM THE ISSUER**

The Issuer accepts no responsibility for statements made other than in the Issue Document (and any relevant pricing or other supplements), the advertisements or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the issue of the Debt Securities and anyone placing reliance on any other source of information would be doing so at their own risk.

The purpose of the Issue Document is to provide general information about the Issuer and to assist recipients, who are willing and eligible to invest in the Debt Securities. Neither the Issue Document nor any other information supplied in connection with the Debt Securities is intended to provide the basis of any credit or other evaluation and any recipient of the Issue Document should not consider such receipt a recommendation to purchase any Debt Securities.

Each Identified Investor contemplating purchasing any Debt Securities should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Identified Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debt Securities and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Identified Investor's particular circumstances. By subscribing to the Issue, Identified Investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers or employees shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of the Issue Document as a result of or arising from anything expressly or implicitly contained in or referred to in the Issue Document or any information received by the recipient in connection with this Issue.

Neither the intermediaries nor their agents nor advisors associated with the issue of Debt Securities undertake to review the financial condition nor affairs of the Issuer during the duration of the arrangements contemplated by the Issue Document or have any responsibility to advise any Eligible Investor in the Debt Securities of any information coming to the attention of any other intermediary.

The Issue Document does not contain a statement purported to be made by an expert, unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given his written consent to the issue of the Issue Document and has not withdrawn such consent before the delivery of a copy of the Issue Document to the Registrar (as applicable) for registration.

**DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of these Debt Securities have been or will be made in India to investors as specified under paragraph titled "*Who Can Apply*" in the Issue Document, who have been or shall be specifically approached by the Issuer. The Issue Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debt Securities offered hereby to any person to whom it is not specifically addressed. The Debt Securities are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Andhra Pradesh. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of the city of Vijaywada/ Amaravati and Mumbai respectively.

**DISCLAIMER OF THE RBI**

The Debt Securities have not been recommended or approved by RBI nor does RBI guarantee the accuracy or adequacy of this Issue Document. It is to be distinctly understood that this Issue Document should not, in any way, be deemed or construed that the Debt Securities have been recommended for investment by RBI. Further, RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debt Securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in the Issue Document. Potential Investors may make investment decisions in respect of the Debt Securities offered in terms of this Issue Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

**DISCLAIMER OF INDIA RATINGS AND RESEARCH PRIVATE LIMITED**

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security. The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on

the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating. Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors. It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient. Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings. offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed. India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website.

**STOCK EXCHANGE DISCLAIMER CLAUSE:**

AS REQUIRED, A COPY OF THIS GENERAL INFORMATION DOCUMENT HAS BEEN FILED WITH THE STOCK EXCHANGE PURSUANT TO THE SEBI DEBT REGULATIONS. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS GENERAL INFORMATION DOCUMENT WITH THE STOCK EXCHANGE SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE STOCK EXCHANGE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE STOCK EXCHANGE;

NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE STOCK EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

#### **ISSUE OF DEBT SECURITIES IN DEMATERIALIZED FORM**

The Debt Securities will be issued only in dematerialized form. The Issuer has made arrangements with the Depositories for the issue of the Debt Securities in dematerialized form. Identified Investors will have to hold the Debt Securities in dematerialized form as per the provisions of Depositories Act. The DP's name, DP ID and beneficiary account number must be mentioned at the appropriate place in the application form. The Issuer shall take necessary steps to credit the Debt Securities allotted to the depository account of the investor. The Issuer shall ensure the Debt Securities are credited to the demat accounts of the Debenture Holders within the timeline prescribed under SEBI Regulations.

### **3. CONSENTS**

- (a) Consent letter from Beacon Trusteeship Limited for acting as a debenture trustee for and on behalf of the Debenture holders dated 11.03.2025 (annexed hereto as Annexure G)
- (b) Consent letter from MUFG Intime India Private Limited for acting as Registrars and Transfer Agents to the Issue dated 08.04.2025 (annexed hereto as Annexure H)
- (c) Letter from India Ratings and Research Limited, conveying the credit rating for the Debentures of the Company dated 16.04.2025 (annexed hereto as Annexure I).

### **4. FORWARD-LOOKING STATEMENTS**

Certain statements contained in the Issue Document that are not statements of historical fact constitute "forward-looking statements". Applicants can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "seek to", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Issuer are also forward-looking statements and accordingly, should be read together with such assumptions and notes thereto. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding Issuer's expected financial conditions, results of operations and cash flows, business plans are forward-looking statements. These forward-looking statements include statements as to Issuer's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in the Issue Document that are not historical facts.

Actual results may differ materially from those suggested by the forward-looking statements or financial projections due to certain known or unknown risks or uncertainties associated with the Issuer's expectations with respect to, but not limited to, actual future gains, losses or impact on net interest income and net income. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of the Issuer to differ materially include, but are not limited to, those discussed in the sections entitled "Risk Factors" in this General Information Document.

Forward-looking statements and financial projections reflect current views as of the date of the Issue Document and are not a guarantee of future performance or returns to Eligible Investors. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. Although the Issuer believes that the expectations and the assumptions upon which such forward-looking statements are based, are reasonable at this time, it cannot assure applicants that such expectations will prove to be correct or accurate. In any event, these statements speak only as of the date of the Issue Document or the respective dates indicated in the Issue Document, or any of their affiliates or advisors, undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise after the date of the Issue Document. If any of these risks and uncertainties materialize, or if any of the Issuer's

underlying assumptions prove to be incorrect, the actual results of operations or financial condition or cash flow of the Issuer could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements are expressly qualified in their entirety by reference to these cautionary statements.

**5. LIMITS ON DISTRIBUTION**

The Issue Document and any other information supplied in connection with the Issue Document are not for distribution (directly or indirectly) in any jurisdiction other than India unless the Issuer has intentionally delivered the Issue Document and any other information supplied in connection with the Issue Document in such jurisdiction and even then only for the limited purpose intended by the Issuer. They are not an offer for sale of Debt Securities, nor a solicitation to purchase or subscribe for Debt Securities, in any jurisdiction where such offer, sale or solicitation would be unlawful. The Debt Securities have not been and will not be registered under the laws of any jurisdiction (other than India; to the extent mandatory under Applicable Laws in India). The distribution of the Issue Document in certain jurisdictions may be prohibited by law. Recipients are required to observe such restrictions and neither the Issuer accept any liability to any person in relation to the distribution of information in any jurisdiction.

**6. RISK FACTORS**

The Issuer believes that the following factors may affect its ability to fulfil its obligations in relation to the Debt Securities. These risks may include, among others, business aspects, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Eligible Investors should carefully consider all the information in the Issue Document, including the risks and uncertainties described below, before making an investment in the Debt Securities. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The following are the risks envisaged by the management of the Issuer relating to Debt Securities and the market in general. Eligible Investors should carefully consider all the risk factors in this General Information Document for evaluating the Issuer and its business and the Debt Securities before making any investment decision in relation to the Debt Securities. The Issuer believes that the risks described below represent the principal risks inherent in investing in the Debt Securities and in the Issuer, but does not represent that the statements below regarding the risks of holding the Debt Securities are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Eligible Investors should also read the detailed information set out elsewhere in this General Information Document and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occur, the Issuer's business, financial conditions and operations could suffer and, therefore, the value of the Debt Securities could decline and/or the Issuer's ability to meet its obligations in respect of the Debt Securities could be adversely affected. More than one risk factor may have simultaneous effect with regard to the Debt Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debt Securities and/or the Issuer's ability to meet its obligations in respect of the Debt Securities. Eligible Investors should perform their own independent investigation of the financial condition and affairs of the Issuer and their own appraisal of the creditworthiness of the Issuer. Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debt Securities. Eligible Investors should thereafter reach their own views prior to making any investment decision.

These risks and uncertainties are not the only issues that the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debt Securities, but the inability of the Issuer, as the case may be, to pay principal or other amounts on or in connection with any Debt Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding /any Debt Securities are exhaustive.

Please note that unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned.



**RISKS RELATING TO THE ISSUER:****A. Management of Credit Risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

(all amounts in Rs. lakhs)

Particulars	2023-24	2022-23
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2023-24	2022-23
Ageing	<12 Months	<12 Months
Gross carrying amount	74,564	37,477
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	74,564	37,477

**B. Management of market risk**

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimizing returns. The Company exposure to, and the management of these risks is explained below:

**i. Commercial risk****a. Sale price risk**

(all amounts in Rs. lakhs)

Particulars	Impact on profit	
	2023-24	2022-23
Selling price increase by 5%		
Barytes & Coal	17,627	9,915
Survey Stones	1,377	409
Selling price decrease by 5%		
Barytes & Coal	(17,627)	(9,915)
Survey Stones	(1,377)	(409)

**b. Excavation & Transport Charges risk**

(all amounts in Rs. lakhs)

Particulars	Impact on profit			
	2023-24		2022-23	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense: Excavation & transport charges for run of mine	(306)	306	(327)	327

Excavation & transport charges for overburden	(1,870)	1,870	(1,883)	1,883
Excavation of Coal & OB Removal	(3,319)	3,319	(1,603)	1,603

**C. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is expected to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2024

(all amounts in Rs. lakhs)

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities:				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
Total	120,186	120,186	58,081	62,105

**RISKS RELATING TO THE ISSUE**

As set out in the Key Information Document for the relevant series/ tranche (as applicable).

**RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT**Security may be insufficient to redeem the Debt Securities

In the event that the Issuer is unable to meet its payment and other obligations towards Investors under the terms of the Debt Securities, the Debt Securities Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debt Securities, subject to Applicable Law and in accordance with the applicable guidelines or regulations, if any. The Debt Securities Holder(s)' recovery in relation to the Debt Securities will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debt Securities Holder(s)' amounts outstanding under the Debt Securities. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debt Securities.

**REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS AND CURRENT FINANCIAL YEAR BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:**

N.A.

**LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:**

N.A.

**IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE**

N.A.

**RISKS IN RELATION TO THE DEBT SECURITIES AND INTERNAL RISKS**

**There may be only a limited trading in the debt securities and the price of the Debt Securities may be volatile subject to fluctuations.**

There is no assurance that an active market for these Debt Securities will develop or be sustained. There is no assurance as to the liquidity of any trading market. Although an application will be made to list the NCDs on the NSE, there can be no assurance that an active market for the Debt Securities will develop and if such a market were to develop, there is no obligation on us to maintain such a market. Further, the liquidity and price of the Debt Securities may vary with changes in market and economic conditions, our financial condition and other factors that may be beyond our control.

**1. There is no guarantee that the Debt Securities will be listed on the Stock Exchange(s) in a timely manner or at all.**

In accordance with Indian law and practice, approval for listing and trading of the Debt Securities will not be granted until after the Debt Securities have been allotted. While we will make our best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading on the Stock Exchange(s) are taken within the time prescribed by SEBI or Applicable Law, there may be a failure or delay in listing the Debt Securities on the Stock Exchange(s).

**2. Eligible Investors may not be able to recover, on a timely basis or at all, the full value of outstanding amounts on the Debt Securities.**

Issuer's ability to pay interest accrued and the principal amount outstanding in connection with the Debt Securities is subject to various factors, including the Issuer's financial condition, profitability and the general economic conditions in India and in the global financial markets. Further, the Debt Securities may decline in value and marketability and Investors should note that, whatever their investment in the Debt Securities, the cash amount due at the respective maturity dates will be equivalent to the face value of the Debt Securities. More than one risk factor may have simultaneous effect with regard to the Debt Securities such that the effect of a particular risk factor may not be predictable.

**3. A downgrade in credit rating of the Debt Securities may affect the price of the Debt Securities.**

The Debt Securities shall be rated by the rating agencies as mentioned in the relevant Key Information Document. We cannot guarantee that rating will not be downgraded, suspended or withdrawn at any time during the tenor of the Debt Securities. Any downgrade, suspension or withdrawal in the credit rating on the Debt Securities may lower the price of the Debt Securities.

**4. Credit rating may not reflect all risks.**

The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Debt Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

**5. The NCDs may not be a suitable investment for all investors.**

Investment in non-convertible debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

**6. Secondary market for debentures may be illiquid.**

The Debt Securities may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debt Securities, it is not likely to provide significant liquidity. An illiquid market may have an adverse impact on the price at which the Debt Securities may be sold in the secondary market. Any such Debt Securities so purchased may be required to be held or resold or surrendered for cancellation. To the extent that an issue of Debt Securities becomes illiquid, an Investor may have to hold the Debt Securities until redemption to realize value.

**7. Taxation**

Potential purchasers and sellers of the securities should be aware that they may be required to pay taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the securities will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

**8. Delays in court proceedings in India**

If any dispute arises between the Issuer and any other party, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

**9. Issuer and its promoters may be involved in various legal, regulatory and other proceedings which could have an adverse impact on our business.**

Our Company and its promoters are involved in various legal, regulatory and other proceedings including litigation, claims including tax disputes, civil matters, regulatory and adjudication proceedings by the regulatory, statutory and other agencies and/ or other proceedings. If any of these litigations, claims, or any other proceedings are adversely determined, it could have an adverse impact on the Company and its business.

**10. Risks in relation to the security created in relation to the Debt Securities. Further, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement**

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of DTD, security documents, and other related documents executed in relation to the Debentures. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. There is a risk that the value realized from the enforcement of the Security may be insufficient to redeem the Debentures.

Where any Debentures issued pursuant to this General Information Document and any relevant Key Information Document for the relevant issuance of Debentures are secured against a charge to the tune of at least 100% of the principal and interest amount or such other higher security cover as may be mentioned in relevant Key Information Document in favour of the Debenture Trustee, it shall be the duty of the Debenture Trustee to monitor that the security is maintained. The possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

**11. Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts.**

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and the Debenture Documents or otherwise vested in it by law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations, or orders.

**12. The right of the Debenture Holders to receive payments under the Debentures will be junior to certain tax and other liabilities preferred by law on an insolvency of the Issuer.**

The Debentures will be subordinated to certain liabilities preferred by law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business (including workmen's dues). Upon an order for winding-up in India, the assets of a company are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

**13. Every business carries inherent risks and uncertainties that can affect financial conditions, results of operations and prospects. Investors should carefully consider all the information in this General Information Document, including the risks and uncertainties described below, as well as the financial statements contained in this General Information Document, before making an investment in the securities. The Company believes that the following risk factors may affect its ability to fulfil its obligations under the securities issued under the Key Information Document. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. You should not invest in the securities unless you are prepared to accept the risk of losing all or part of your investment, and you**

should consult your own tax, financial and legal advisors about the particular consequences of an investment in the securities. Unless otherwise stated, our financial information used in this section is derived from our audited unconsolidated financial information, prepared in accordance with accounting standards generally accepted in India.

## GENERAL RISK

Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, investors must rely on their examination of the Issuer and the Issue including the risks involved in it. These risks are not and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. The Issue has not been recommended or approved by any regulatory authority in India, including SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this General Information Document.

Except as stated herein, the Issuer confirms and declares that it is in compliance with the provisions of Companies Act, 2013, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, and nothing in the Issuer Document is contrary to the provisions of the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder.

## 7. ISSUER INFORMATION

### 7.1 DETAILS OF CREDIT RATING, ALONG WITH THE LATEST PRESS RELEASE OF THE CREDIT RATING AGENCY IN RELATION TO THE ISSUE, AND A DECLARATION THAT THE RATING IS VALID AS ON THE DATE OF ISSUANCE AND LISTING. SUCH PRESS RELEASE SHALL NOT BE OLDER THAN ONE YEAR FROM THE DATE OF OPENING OF THE ISSUE.

As per Key Information Document for the relevant series/ tranche (as applicable).

### 7.2 NAME(S) OF THE STOCK EXCHANGE(S) WHERE THE NON-CONVERTIBLE SECURITIES ARE PROPOSED TO BE LISTED AND THE DETAILS OF IN-PRINCIPLE APPROVAL FOR LISTING OBTAINED FROM THESE STOCK EXCHANGE(S)

As per the relevant Key Information Document.

### 7.3 IF NON CONVERTIBLE SECURITIES ARE PROPOSED TO BE LISTED ON MORE THAN ONE STOCK EXCHANGE(S) THEN THE ISSUER SHALL SPECIFY THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE. THE ISSUER SHALL SPECIFY THE STOCK EXCHANGE WHERE THE RECOVERY EXPENSE FUND IS BEING OR HAS BEEN CREATED, AS SPECIFIED BY THE BOARD.

As per the relevant Key Information Document.

### 7.4 ISSUE SCHEDULE:

Issue Opening Date	As per the relevant Key Information Document
Issue Closing Date	As per the relevant Key Information Document
Pay-in Date	As per the relevant Key Information Document
Deemed Date of Allotment	As per the relevant Key Information Document

### 7.5 NAME, LOGO, ADDRESSES, WEBSITE URL, EMAIL ADDRESS, TELEPHONE NUMBER AND CONTACT PERSON OF:

S. No	Particulars	Details
1.	Debenture Trustee to the Issue	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
2.	Credit Rating Agencies for the Issue	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
3.	Registrar to the Issue	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
4.	Statutory Auditors	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
5.	Merchant Banker(s), if any	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
6.	Co-Manager(s), if any	As set out in the Key Information Document for the relevant series/ tranche (as applicable).

S. No	Particulars	Details
7.	Guarantor (if applicable)	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
8.	Arrangers if any	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
9.	Legal counsel, if any	As set out in the Key Information Document for the relevant series/ tranche (as applicable).

## 7.6

**ABOUT THE ISSUER****(a) Overview and a brief summary of the business activities of the Issuer**

APMDC is the nodal company of the State of Andhra Pradesh and has been granted the rights for mining and exploration of valuable minerals both within and outside the State of Andhra Pradesh. APMDC though fully equipped to carry out integrated mining operations is presently following a model where the mining operations are delegated to a selected Mine Developer and Operator (MDO) on a contractual basis after the APMDC provides them with the mining land free of encumbrances.

On Consolidated basis, the Company has achieved revenue from operations of ₹ 3840.59 crore for the financial year ended 31st March, 2024 as against ₹ 2101.91 crore in previous year, registering 82.71% rise over the previous year. Consolidated Earnings before Finance Cost, Taxes, Depreciation and Ammortisation (EBITDA) grew by 88.85 % to ₹ 1645.43 crore in FY 2023-24 compared to ₹ 871.3 crore in FY 2022-23. After providing for taxation of ₹ 374.38 crore, the Company registered a Net Profit of ₹ 1063.19 crore in FY 2023-24 compared to ₹ 591.26 crore in previous year.

On standalone basis, significant increase in revenue, reduction in long term liabilities, various cost initiatives taken by the Company lead to improvement in business performance and healthy operating profitability during the year under review. In terms of operating performance, Company's revenue grew by 82.71% to ₹ 3840.59 crore compared to ₹ 2101.91 crore of previous year, mainly due to increase in sales volume in Suliyari coal mine, from ~ 1.4 Mn. Ton in FY22-23 to 5.0 MN Ton in FY 23-24. Standalone EBITDA grew by 88.85% % compared to previous year which stood at ₹ 871.3 crore during the year under review. The company registered a Net Profit of ₹ 1063.19 crore for FY 2023-24 compared to ₹ 589.66 crore of previous year.

The Permanent Account Number of the Issuer is AAAC7391N.

The LEI of the Issuer is 335800S8NK5A3UC12866.

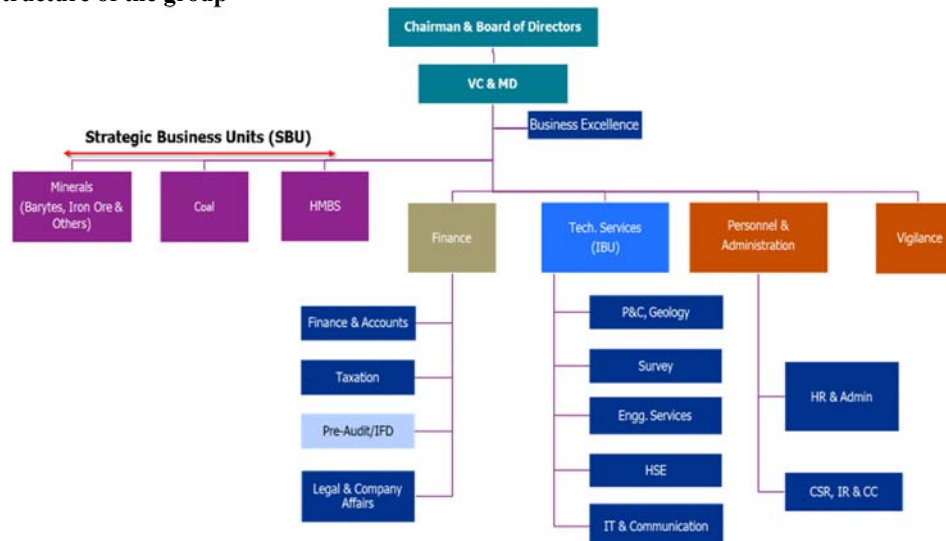
For information on the background of the Issuer, please see the sections titled “*Overview of the Issuer*” on page 15 of this General Information Document.

**Ref No.: APMDC/GID/01/2025-26**

General Information Document dated: 22 April, 2025

[illegible]

**(b) Structure of the group**



**(c) Details of branches or units where the issuer carries on its business activities, if any:**

- APMDC Head Office – Vijayawada, Andhra Pradesh
- Mangampet Project Office – Mangampet, Annamaya (D), Andhra Pradesh (Barytes)
- Suliyari Project Office – Singrauli, Madhya Pradesh (Non-coking Coal)
- Brahmadiha Project Office – Giridih, Jharkhand (Coking Coal)
- Cheemakurthy Project Office – Cheemakurthy, Prakasam, Andhra Pradesh (Black Galaxy Granite)
- Dwaraka Tirumala Project Office – West Godavari, Andhra Pradesh (Ball Clay)
- Nimmalapadu Project Office – Ananthagiri, Visakhapatnam, Andhra Pradesh (Calcite)

**(d) A brief summary of the business activities of the subsidiaries of the Issuer:**

- Ongole Iron Ore Mining Company  
This was formed for development of iron ore project in Prakasam district.  
However, the project was discontinued and both parties have entered into exit agreement.  
Currently, no operations are being conducted through this company.
- Andhra Phosphate Private Limited  
JV formed in 1974 with M/s Andhra Phosphate for mining of Apatite (Rockphosphate) and Vermiculite in Narasimharajapuram Village in Anantagiri Mandal, Visakhapatnam District.  
However, currently no operations since lease is not in force.
- APMDC SCCL Suliyari Coal Company  
This was formed for development of Suliyari coal project in Madhya Pradesh, which was earlier jointly allotted to APMDC and SCCL.  
However, the block was cancelled as part of the coal block de-allocation by the Hon'ble Supreme Court in 2014.  
Currently, no operations are being conducted through this company.

Note: Post de-allocation, the Suliyari coal block was granted exclusively to APMDC and is current being operated by APMDC.

- Nuagaon Coal Company  
This was formed for development of Nuagon Telisahi coal project in Odisha, which was earlier jointly allotted to APMDC and Odisha Mining Corporation (OMC).  
However, the block was cancelled as part of the coal block de-allocation by the Hon'ble Supreme Court in 2014.  
Currently, no operations are being conducted through this company.



Note: Post de-allocation, the Nuagon Telisahi coal block is yet to be granted to any new allottee. Once it is allotted, APMDC will be reimbursed its share of capital expenditure incurred towards development of the block after collecting from the new allottee.

#### Strengths of the Issuer

The strengths of the Issuer are:

- Public Sector Undertaking with established track record;
- Largest baryte reserves in India and dominant market position
- Diversified mineral portfolio

#### Strategies of the Issuer

The strategies of the Issuer are:

- Enhancing existing projects capacity in compliance with relevant laws & guidelines
- Acquiring high value mineral projects (Beach Sand Minerals, Coal, Bauxite, Gold, Iron Ore, etc.,)
- Geographical expansion of its operations (Single mineral, Single geography to Multiple minerals, Multiple geography mining major)

(e) **Use of proceeds (in the order of priority for which the said proceeds will be utilized):**

- purpose of the placement;**
- break - up of the cost of the project for which the money is being raised;**
- means of financing for the project;**
- proposed deployment status of the proceeds at each stage of the project.**

As per the relevant Key Information Document.

#### 7.7 Expenses of the Issue:

As per the relevant Key Information Document.

#### 7.8 Financial Information:

- (a) **The audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the issue document or issue opening date, as applicable.**

As per **Annexure E** of this General Information Document.#

*(#Comptroller and Auditor General of India ("CAG") audit of the financial statements of the Company for the financial years FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 is yet to be completed. In view of the same and pursuant to the application made by the Issuer to SEBI, the SEBI has granted its approval to the Issuer to issue the Bonds through private placement, subject to submission of annual reports of FY 2015-16, FY 2016-17 and FY 2017-18 and financial statements along with audit reports of the statutory auditor appointed by CAG for the FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-2022, FY 2022-23, FY 2023-2024, pending CAG reports thereon, along with for the stub period ended on December 31, 2024. Accordingly, the Issuer is disclosing (i) the annual reports (including CAG reviewed audited financial statements) for FY 2015-16, FY 2016-17 and FY 2017-18, and (ii) financial statements and audit reports issued thereon by the statutory auditor appointed by CAG for the FY 2018-19, FY 2019-20, FY 2021-2022, FY 2022-23, FY 2023-2024 and for the period ended December 31, 2024.)*

#### **Key Operational and Financial Parameters on consolidated and standalone basis: (audited by M.N Rao and Associates holding a Peer Review Number 019822)##**

##### **Standalone Basis:**

(INR in Crores)

Balance Sheet	For the stub period ended December 31, 2024	2023-24	2022-23	2021-22
Particulars				
Property, Plant and Equipment (including Capital Work in Progress and Investment Property)	65.54	78.99	91.87	68.73
Intangible Assets (including Intangible Assets under Development)	1973.50	2043.12	1633.03	1483.62
Financial Assets (Current and Non-Current)	2199.79	2088.58	2763.34	1986.36
Other Non-Current assets	500.18	436.76	629.62	420.79
Current assets	2755.51	2515.21	2114.84	1223.91

Balance Sheet	For the stub period ended December 31, 2024	2023-24	2022-23	2021-22
<b>Total Assets</b>	<b>5414.85</b>	<b>5149.56</b>	<b>5472.56</b>	<b>4228.74</b>
Financial Liabilities (Current and Non- Current) –	1048.54	1202.17	1527.87	1341.45
-Borrowings	586.45	714.72	598.35	505.52
- Other Financial Liabilities	275.65	291.44	743.71	722.69
Non-Current Liabilities	789.65	844.75	958.49	885.22
Current Liabilities	1104.55	1304.77	1276.37	703.01
Provisions	100.93	94.53	100.12	91.37
<b>Total Liabilities</b>	<b>1894.20</b>	<b>2149.52</b>	<b>2234.86</b>	<b>1588.23</b>
Equity (Equity Share Capital and Other Equity)	3520.64	3000.04	3237.70	2640.51
<b>Total Equity and Liabilities</b>	<b>5414.85</b>	<b>5149.56</b>	<b>5472.56</b>	<b>4228.74</b>

Profit and Loss	For Stub Period ended December 31, 2024	2023-24	2022-23	2021-22
Total revenue from operations	2205.62	3840.59	2101.91	1155.34
Other Income	137.44	128.90	99.30	46.27
<b>Total Income</b>	<b>2343.06</b>	<b>3969.49</b>	<b>2201.21</b>	<b>1201.61</b>
<b>Total Expenses</b>	<b>1,643.40</b>	<b>2533.93</b>	<b>1384.86</b>	<b>792.03</b>
Profit/ loss for the period /Year	520.91	1061.19	597.82	297.72
Other Comprehensive Income	-0.31	-0.15	-3.24	-1.4
Total Comprehensive Income	520.60	1061.04	594.59	296.32
Earnings per equity share: (in Rs.)				
(a) basic; and	82601.8	168276.58	94799.44	47211.87
(b) diluted	82601.8	168276.58	94799.44	47211.87

Cash Flow	For the Stub Period ended on December 31, 2024	2023-24	2022-23	2021-22
Net cash (used in)/ generated from operating activities (A)	228.54	1665.36	661.31	451.53
Net cash (used in)/ generated from investing activities (B)	75.15	-521.17	-421.44	-925.81
Net cash (used in)/ generated from financing activities (C)	-177.38	-1253.92	21.51	488.31
<b>Net Increase/ (decrease) in Cash and Cash Equivalents</b>	<b>126.31</b>	<b>-109.72</b>	<b>261.38</b>	<b>14.04</b>
Opening Balance of Cash and Cash Equivalents	288.99	398.71	137.34	123.30
<b>Cash and cash equivalents at end of the period/ Year</b>	<b>415.30</b>	<b>288.99</b>	<b>398.72</b>	<b>137.34</b>

**Consolidated Basis:**

(INR in Crores)

Balance Sheet	For the Stub Period ended December 31, 2024	2023-24	2022-23	2021-22
Property, Plant and Equipment (including Capital Work in Progress and Investment Property)	65.54	78.99	91.87	68.73
Intangible Assets (including Intangible Assets under Development)	1973.5	2043.12	1633.03	1483.62

<b>Balance Sheet</b>	<b>For the Stub Period ended December 31, 2024</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Financial Assets (Current and Non-Current)	2209.84	2097.71	2770.32	1992.24
Other Non-Current assets	500.18	436.76	629.62	420.79
Current assets	2755.51	2515.21	2114.84	1223.90
<b>Total Assets</b>	<b>5424.89</b>	<b>5158.7</b>	<b>5479.54</b>	<b>4234.61</b>
Financial Liabilities (Current and Non- Current) – -Borrowings	947.61 586.45	1201.87 714.72	1527.87 598.35	1341.45 505.52
- Other Financial Liabilities	275.65	291.44	743.71	722.69
Non-Current Liabilities	789.65	844.75	958.49	885.22
Current Liabilities	1104.55	1304.77	1276.37	703.01
Provisions	100.93	94.53	100.12	91.37
<b>Total Liabilities</b>	<b>1894.20</b>	<b>2149.52</b>	<b>2234.86</b>	<b>1588.23</b>
Equity (Equity Share Capital and Other Equity)	3530.68	3009.17	3244.68	2646.39
<b>Total Equity and Liabilities</b>	<b>5424.89</b>	<b>5158.7</b>	<b>5479.54</b>	<b>4234.61</b>

<b>Profit and Loss</b>	<b>For the Stub Period ended December 31, 2024</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Total revenue from operations	2205.62	3840.59	2101.91	1155.34
Other Income	135.24	127.25	98.20	46.27
<b>Total Income</b>	<b>2340.86</b>	<b>3967.84</b>	<b>2200.11</b>	<b>1201.61</b>
<b>Total Expenses</b>	<b>1643.40</b>	<b>2533.93</b>	<b>1384.86</b>	<b>792.03</b>
<b>Profit/ loss for the period/Year</b>	<b>521.83</b>	<b>1063.31</b>	<b>598.91</b>	<b>300.51</b>
Other Comprehensive income	-0.31	-0.12	-3.22	-1.42
<b>Total Comprehensive Income</b>	<b>521.51</b>	<b>1063.19</b>	<b>595.69</b>	<b>299.09</b>
Earnings per equity share: (in Rs.) (a) basic; and (b) diluted	82749.37 82749.37	168613.73 168613.73	94971.37 94971.37	47653.81 47653.81

<b>Cash Flow</b>	<b>For the Stub Period ended December 31, 2024</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Net cash (used in)/ generated from operating activities (A)	230.74	1921.53	707.06	451.53
Net cash (used in)/ generated from investing activities (B)	72.95	-521.17	-421.44	-925.81
Net cash (used in)/ generated from financing activities (C)	-177.38	-1253.92	21.51	488.31
<b>Net Increase/ (decrease) in Cash and Cash Equivalents</b>	<b>126.31</b>	<b>-109.72</b>	<b>261.38</b>	<b>14.04</b>
Opening Balance of Cash and Cash Equivalents	288.99	398.71	137.34	123.3
<b>Cash and cash equivalents at end of the period/Year</b>	<b>415.30</b>	<b>288.99</b>	<b>398.72</b>	<b>137.34</b>

Additional Key Information:

## Standalone

(INR in Crores)

Ratios	For the Stub Period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Net worth	3520.64	3000	3237.7	2640.5
Cash and Cash Equivalents	415.3	288.99	398.71	137.34
Net Sales	2343.06	3969.49	2201.21	1201.61
EBITDA	910.64	1723.86	937	432.62
EBIT	754.22	1512.34	901.84	426.96
Debt equity ratio	0.17	0.24	0.18	0.19
Debt Service Coverage Ratios	7.337	10.36	6.15	17.59
Interest Service Coverage Ratios	13.82	19.70	10.55	24.57
Current ratio	2.49	1.99	1.66	1.74
Long term debt to working capital	0.29	0.46	0.58	0.87
Current liability ratio-(in times)	1.4	0.79	1.31	1.54
Total Debts to Total assets	0.11	0.14	0.11	0.12

## Consolidated

(INR in Crores)

Ratios	For the Stub Period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Net worth	3530.68	3009.17	3244.7	2646.39
Cash and Cash Equivalents	415.3	288.99	404.26	137.34
Net Sales	2340.86	3967.84	2208.95	1201.61
EBITDA	908.44	1722.21	935.9	432.62
EBIT	752.02	1510.69	900.74	426.96
Debt equity ratio	0.17	0.24	0.18	0.19
Debt Service Coverage Ratios	7.34	10.38	6.15	17.59
Interest Service Coverage Ratios	13.78	19.68	10.53	24.57
Current ratio	2.49	1.93	1.66	1.74
Long term debt to working capital	0.29	0.46	0.58	0.87
Current liability ratio-(in times)	1.4	0.79	1.31	1.54
Total Debts to Total assets	0.11	0.14	0.11	0.12

(##The key operational and financial parameters have been derived from the financial statements for the FY 2021-22, FY 2022-23, FY 2023-24 and for the stub period ended on December 31, 2024, which have been the statutory auditor appointed by the Comptroller and Auditor General of India ("CAG") but are yet to be audited by the CAG.)

- (b) **Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:**  
Mentioned in Consolidated Financial Statement for the year ended on 31.03.2024, as provided in Annexure E.
- (c) **The amount of corporate guarantee or letter of comfort issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued**  
N.A.

## 7.9 Brief History of the Issuer since its incorporation giving details of its following activities:

The Andhra Pradesh Mineral Development Corporation Limited (APMDC) is a private limited company incorporated under the Companies Act, 1956, having its registered office at Hyderabad. The Company was incorporated on 24.02.1961, as a private limited company under the provisions of the Companies Act, 1956 in the name of "The Andhra Pradesh Mining

Corporation Limited". APMDC is a state-owned corporation headquartered in Vijayawada, dedicated to the exploration and development of mineral resources in India. The Company is primarily engaged in the business of mineral exploration, mining, processing, marketing, and beneficiation. The Company is in the process of converting itself from a private limited company to a public limited company after obtaining all the required approvals and permissions.

APMDC Limited is managed by Board of Directors. The Board of Directors consists of 4 Directors with 1 Executive Director. Out of the 4 Directors, 3 are non-executive Directors.

**(i) DETAILS OF SHARE CAPITAL AS ON 31.03.2025**

Particulars	As at March 31, 2025
<b>AUTHORISED</b>	
1,00,000 equity shares of Rs.1,000/- each	1000
<b>ISSUED AND SUBSCRIBED AND FULLY PAID UP</b>	
63,062 equity shares of Rs.1,000/- each fully paid up	631

**(ii) CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST THREE YEARS**

Date of change ( AGM/EGM)	Nominal Amount in Rs	Particulars
Nil	Nil	Nil

**(iii) EQUITY SHARE CAPITAL HISTORY OF THE COMPANY AS ON LAST QUARTER END AS ON 31.03.2025 FOR THE LAST THREE YEARS**

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (In Rs)	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						No. of Equity Shares	Equity share capital (Rs.)	Equity share premium (in Rs.)
31st March 2023	63,062	1000	1000	Cash	Subscribers to Memorandum of Association	63,062	6,30,62,000	Nil
31st March 2024	-	-	-	-	-	-	-	-
31st March 2025	-	-	-	-	-	-	-	-
Total	63,062							

**(iv) DETAILS OF THE SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END 31.03.2025**

Particulars	No. of Shares	No. of Shares in Demat form	% of total Shares
a) Individual			
b) Central Govt.			
c) State Govt.	63,062	63,062	100%
d) Bodies Corp.			
e) Banks / FIs			
f) any other			
<b>Sub-total</b>	<b>63,062</b>	<b>63,062</b>	<b>100%</b>
a) NRIs Individuals			
b) other Individuals			
c) Bodies Corp.			
e) Banks / FIs			

f) any other			
<b>Sub-total</b>			
<b>Total Shareholding</b>	<b>63,062</b>	<b>63,062</b>	<b>100%</b>

<b>(i) LIST OF TOP 10 HOLDERS OF EQUITY SHARES OF THE COMPANY AS ON THE LATEST QUARTER END 31.03.2025</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Total No. of Equity shares</b>	<b>No. of shares held in Demat form</b>	<b>Total shareholding as a % of total no. of equity shares</b>
1	Governor of Andhra Pradesh Represented by Smt S.Siva Naga Rajeswari Assistant to Government (Mines), Industries & Commerce Department	63,059	63,059	99.9952%
2	Sri Pravin Kumar*, IAS., Vice-Chairman & Managing Director, APMDC	1	1	0.0016%
3	Sri Pravin Kumar*, IAS., Director Mines & Geology, GoAP	1	1	0.0016%
4	Sri M.Pushkarudu*, Section Officer, Industries & Commerce Department, GoAP	1	1	0.0016%

\*: Shares are held as nominee of the Government of Andhra Pradesh.

**(a) Details of any acquisition of or amalgamation with any entity in the preceding one year:**

NIL

**(b) Details of any reorganization or reconstruction in the preceding one year:**

NIL

#### 7.10 Details regarding the directors of the Issuer

**(a) Details of current directors of the Issuer as on the date of this General Information Document**

The following table sets forth the details of the directors of the Issuer as on the date of this General Information Document:

<b>Sr. No</b>	<b>Name, designation and DIN</b>	<b>Age</b>	<b>Address</b>	<b>Director of the Issuer since</b>	<b>Details of other directorship</b>
1.	Rama Subbaiah Gandla, Nominee Director, 10915409	59 Yrs	Deputy Secretary to GoAP, I&C Department (Mines), Block – II, AP Secretariat, Velagapudi.	17.01.2025	1. M/s. APMDC Limited
2.	J.Nivas, Nominee Director, 07664988	43 Yrs	Additional Secretary to GoAP, Finance Department, Block – II, AP Secretariat, Velagapudi.	17.01.2025	1. M/s. Andhra Pradesh State Financial Services Corporation Limited 2. M/s. Vijayawada Urban Infrastructure Development Corporation Limited 3. M/s. Andhra Pradesh Economicities Promotion and Development Corporation Limited 4. Andhra Pradesh Medical Education and Research Corporation Limited
3.	R.P.Sisodia, Nominee Director 07621010		Principal Secretary to GoAP, Revenue Department, Block – IV, AP Secretariat, Velagapudi.	17.01.2025	M/s. Andhra Pradesh State Skill Development Corporation
4.	Pravin Kumar, Managing Director, 07106418	45 Yrs	#294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanuru (V),	24.06.2024	1. M/s. The Andhra Pradesh Mineral Development Corporation Limited 2. M/S. Andhra Pradesh Industrial Water Supply Corporation Limited 3. M/s. Kadapa Steel Corporation Limited

Sr. No	Name, designation and DIN	Age	Address	Director of the Issuer since	Details of other directorship
			Penamaluru (M), Vijayawada - 521137, AP		4.M/s. AP Bulk Drug Infrastructure Corporation Limited 5. M/s. YSR Steel Corporation Limited 6. M/s. Andhra Pradesh Maritime Infrastructure Development Corporation Limited 7. M/s. Visakhapatnam Urban Transport Company Limited

**(b) Details of change in directors of the Issuer in the preceding 3 (three) financial years as on the date of this General Information Document and current financial year:-**

Name of the Director	Designation	Date of Appointment	Date of Cessation
K.V.V.Satyanarayana	Director	08 September 2017	17 January 2025
V.Usharani	Director	31 October 2019	22 December 2021
Gopal Krishna Dwivedi,	Director	01 May 2020	02 August 2021
I. Mohan Rao	Director	28 August 2020	03 March 2022
V.G. Venkata Reddy	Director/VC&MD	01 February 2021	07 June 2024
V.G. Venkata Reddy	Director/DMG	01 February 2021	07 June 2024
G. Shammem Aslam	Director	02 August 2021	07 June 2024
Neerabh Kumar Prasad	Director	22 December 2021	22 February 2022
G.Sai Prasad	Director	22 February 2022	17 January 2025
D.Ramadevi	Director	03 March 2022	26 September 2024
Bipin Kumar	Director	09 December 2022	17 January 2025
Raman Narayanan	Director	01 February 2023	17 January 2025
Daggula Mallikarjuna Reddy	Director	06 April 2023	07 June 2024
Pravin Kumar	Director	19 June 2024	Till Date
Bandireddi Bapireddy	Director	20 September 2024	07 June 2024
Bathula Rama Rao	Director	20 September 2024	07 June 2024
C.Harish Reddy	Director	20 September 2024	07 June 2024
Chilluru Manjusha	Director	20 September 2024	07 June 2024
ES. Salma	Director	20 September 2024	07 June 2024
Gade Sujatha	Director	20 September 2024	07 June 2024
Garikina Gowri	Director	20 September 2024	07 June 2024
K.V. Ramana Reddy	Director	20 September 2024	07 June 2024
Lingareddy Veera Prathap Reddy	Director	20 September 2024	07 June 2024
M.Balamuni Reddy	Director	20 September 2024	07 June 2024
Mala Jayasudha	Director	20 September 2024	07 June 2024
Marty Lakshmi	Director	20 September 2024	07 June 2024
J.Nivas	Director	17 January 2025	Till Date
R.P.Sisodia	Director	17 January 2025	Till Date
Mukesh Kumar Meena	Director	19 January 2025	20 January 2025
G.Rama Subbaiah	Director	20 January 2025	Till Date

**(c) Details of directors' remuneration and such particulars of the nature and extent of their interests in the Issuer (during the current year and preceding 3 (three) financial years):**

- i. **Remuneration payable or paid to a director by the Issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis:**

- ii. **Remuneration payable or paid to a director by the Issuer, its subsidiary or associate company:**

Sr. No.	Name of the Director	Designation	Remuneration Details for FY 2021-2022 In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	Gopal Krishna Dwivedi,	Director	0.000000	-	-
2.	V.G. Venkata Reddy	Director/VC&MD	0.000000	-	-
3.	V.G. Venkata Reddy	Director/DMG	0.000000	-	-
4.	I. Mohan Rao	Director	0.000000	-	-
5.	V.Usharani	Director	0.000000	-	-
6.	K.V.V.Satyanarayana	Director	0.051790	-	-
7.	G. Shammem Aslam	Director	0.008120	-	-
8.	Mala Jayasudha	Director	0.008120	-	-
9.	C.Harish Reddy	Director	0.008120	-	-
10.	Marty Lakshmi	Director	0.008120	-	-
11.	Gade Sujatha	Director	0.008120	-	-
12.	M.Balamuni Reddy	Director	0.008120	-	-
13.	ES. Salma	Director	0.008120	-	-
14.	Lingareddy Veera Prathap Reddy	Director	0.008120	-	-
15.	Bandireddi Bapireddy	Director	0.008120	-	-
16.	Bathula Rama Rao	Director	0.008120	-	-
17.	Chilluru Manjusha	Director	0.008120	-	-
18.	K.V. Ramana Reddy	Director	0.000000	-	-
19.	Garikina Gowri	Director	0.000000	-	-

S.No.	Name of the Director	Designation	Remuneration Details for FY 2022-2023 In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	V.G. Venkata Reddy	Director	0.0000	-	-
2.	D.Ramadevi	Director	0.0000	-	-
3.	G.Sai Prasad	Director	0.0000	-	-
4.	K.V.V.Satyanarayana	Director	0.0780	-	-
5.	G. Shammem Aslam	Director	0.0168	-	-
6.	Mala Jayasudha	Director	0.0168	-	-
7.	C.Harish Reddy	Director	0.0168	-	-
8.	Marty Lakshmi	Director	0.0168	-	-
9.	Gade Sujatha	Director	0.0168	-	-
10.	M.Balamuni Reddy	Director	0.0168	-	-
11.	ES. Salma	Director	0.0168	-	-
12.	Lingareddy Veera Prathap Reddy	Director	0.0168	-	-
13.	Bandireddi Bapireddy	Director	0.0168	-	-
14.	Bathula Rama Rao	Director	0.0168	-	-
15.	Chilluru Manjusha	Director	0.0168	-	-
16.	K.V. Ramana Reddy	Director	0.0000	-	-
17.	Garikina Gowri	Director	0.0000	-	-
18.	Bipin Kumar	Director	0.0000	-	-



S.No.	Name of the Director	Designation	Remuneration Details for FY 2023-2024 In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	V.G. Venkata Reddy	Director	0.0000	-	-
2.	D.Ramadevi	Director	0.0000	-	-
3.	G.Sai Prasad	Director	0.0000	-	-
4.	K.V.V.Satyanarayana	Director	0.0780	-	-
5.	G. Shammem Aslam	Director	0.0168	-	-
6.	Mala Jayasudha	Director	0.0168	-	-
7.	C.Harish Reddy	Director	0.0168	-	-
8.	Marty Lakshmi	Director	0.0168	-	-
9.	Gade Sujatha	Director	0.0168	-	-
10.	M.Balamuni Reddy	Director	0.0168	-	-
11.	ES. Salma	Director	0.0168	-	-
12.	Lingareddy Veera Prathap Reddy	Director	0.0168	-	-
13.	Bandireddi Bapireddy	Director	0.0168	-	-
14.	Bathula Rama Rao	Director	0.0168	-	-
15.	Chilluru Manjusha	Director	0.0168	-	-
16.	K.V. Ramana Reddy	Director	0.0000	-	-
17.	Garikina Gowri	Director	0.0168	-	-
18.	Daggula Mallikarjuna Reddy	Director	0.0000	-	-
19.	Raman Narayanan	Director	0.0000	-	-
20.	Bipin Kumar	Director	0.0000	-	-

S.No.	Name of the Director	Designation	Date Cessions	Remuneration Details for the period upto 31st December 2024) In Crores	Remunerat ion paid by Associate Companies	Remunerat ion paid by Subsidiary
1.	V.G. Venkata Reddy	Director	07.06.2024	0.0000	-	-
2.	D.Ramadevi	Director	26.09..2024	0.0000	-	-
3.	G.Sai Prasad	Director	17.01.2025	0.0000	-	-
4.	K.V.V.Satyanarayana	Director	17.01.2025	0.0000	-	-
5.	Mukesh Kumar Meena	Director	20.01.2025	0.0000	-	-
6.	Pravin Kumar	Director	Till Date	0.0000	-	-
7.	R.P.Sisodia	Director	Till Date	0.0000	-	-
8.	J.Nivas	Director	Till Date	0.0000	-	-
9.	G.Rama Subbaiah	Director	Till Date	0.0000	-	-
10.	G. Shammem Aslam	Director	07.06.2024	0.0130	-	-
11.	Mala Jayasudha	Director	07.06.2024	0.0014	-	-
12.	C.Harish Reddy	Director	07.06.2024	0.0014	-	-
13.	Marty Lakshmi	Director	07.06.2024	0.0014	-	-
14.	Gade Sujatha	Director	07.06.2024	0.0014	-	-
15.	M.Balamuni Reddy	Director	07.06.2024	0.0014	-	-
16.	ES. Salma	Director	07.06.2024	0.0014	-	-
17.	Lingareddy Veera Prathap Reddy	Director	07.06.2024	0.0014	-	-
18.	Bandireddi Bapireddy	Director	07.06.2024	0.0014	-	-

19.	Bathula Rama Rao	Director	07.06.2024	0.0014	-	-
20.	Chilluru Manjusha	Director	07.06.2024	0.0014	-	-
21.	K.V. Ramana Reddy	Director	07.06.2024	0.0014	-	-
22.	Garikina Gowri	Director	07.06.2024	0.0000	-	-
23.	Daggula Mallikarjuna Reddy	Director	07.06.2024	0.0014	-	-
24.	Raman Narayanan	Director	17.01.2025	0.0000	-	-
25.	Bipin Kumar	Director	17.01.2025	0.0000	-	-

**iii. Shareholding of the director in the Issuer, its subsidiaries and associate companies on a fully diluted basis;**

<b>Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2024-2025</b>	<b>Total (INR)</b>
Pravin Kumar In the position of Managing Director	Rs.1,000/-
Pravin Kumar In the position of Director of Mines & Geology	Rs.1,000/-
<b>Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2023-2024</b>	<b>Total (INR)</b>
V.G.Venkata Reddy In the position of VC& MD	Rs.1,000/-
V.G.Venkata Reddy In the position of Director of Mines & Geology	Rs.1,000/-
<b>Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2022-2023</b>	<b>Total (INR)</b>
V.G.Venkata Reddy In the position of VC& MD	Rs.1,000/-
V.G.Venkata Reddy In the position of Director of Mines & Geology	Rs.1,000/-
<b>Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2021-2022</b>	<b>Total (INR)</b>
V.G.Venkata Reddy In the position of VC& MD	Rs.1,000/-
V.G.Venkata Reddy In the position of Director of Mines & Geology	Rs.1,000/-

Shareholding of the Directors in the Subsidiary on a fully diluted basis - FY 2024-2025	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2024-2025	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2023-2024	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2022-2023	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2021-2022	Total (INR)
-	-

iii. **Appointment of any relatives to an officer or place of profit of the Issuer, its subsidiary or associate company:** NIL

iv. **Full particulars of the nature and extent of interest, if any, of every director:**

1. In the promotion of the Issuer: NIL
2. In any immovable property acquired by the Issuer company in the two years preceding the date of the General Information Document or any immovable property proposed to be acquired by it: NIL

Where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed: NIL

v. **Contribution being made by the directors as part of the offer or separately in furtherance of such objects:** NIL

7.11 **Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the Issue and the effect of such interest in so far as it is different from the interests of other persons:** NIL

7.12 **Following details regarding the auditors of the Issuer:**

(a) **Details regarding the Auditor of the Issuer**

Name	Address	Date of Appointment
M/s. M.N. Rao & Associates, Chartered Accountants	Vaishnavi Plaza, (2nd Floor), D.No.40-6/3-9, Near Siddhartha Public School, Mogalrajapuram, Vijayawada - 520 010 Andhra Pradesh	01-04-2024

(b) **Details of change in auditors for preceding 3 (three) financial years and current financial year:**

Name of the Firm	Address	Date of Appointment	Tenure
M/s. Chowdary & Rao	36-11-7, Santhi Nagar, 1st Lane, Mogalrajapuram Vijayawada – 520010.	Vide letter dated 28-11-2022 of CAG	01-04-2020 to 31-03-2023
M/s. M N Rao & Associates	Vaishnavi Plaza, 2nd Floor, D-No: 40-6/3-9, Near PV Siddhartha Public School, Mogalrajapuram, Vijayawada.	Vide letter dated 14-03-2024 of CAG	01-04-2023 to 31-03-2024
		Vide letter dated 21-09-2024 of CAG	01-04-2024 to 31-03-2025

7.13 **Details of the following liabilities of the Issuer as at the end of the preceding quarter (i.e., December 31, 2024):**

(a) **Details of outstanding secured loan facilities:**

As provided under **Annexure F** of this General Information Document.

(b) **Details of outstanding unsecured loan facilities of the Issuer**

As provided under **Annexure F** of this General Information Document.

- (c) **Details of outstanding non-convertible securities in the following format:**  
As provided under Annexure F of this General Information Document.
- (d) **Details of commercial paper issuances as at the end of the last quarter in the following format:**  
As provided under Annexure F of this General Information Document.
- (e) **List of top ten holders of non-convertible securities in terms of value (on a cumulative basis):**  
As provided under Annexure F of this General Information Document.
- (f) **List of top ten holders of commercial paper in terms of value (on a cumulative basis):**  
As provided under Annexure F of this General Information Document.
- (g) **The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash). This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued: in whole or part, at a premium or discount, or in pursuance of an option or not.**  
NIL
- (h) **Details of bank fund based facilities / rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures/preference shares) from financial institutions / financial creditors**  
As per Annexure F of this General Information Document.
- (i) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer in the preceding 3 (three) years and current financial year. NIL**

**7.14 If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**  
As per the relevant Key Information Document.

**7.15 Any material event/development or change having implications on the financials/ credit quality (e.g. any material regulatory proceedings against the Issuer, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investors decision to invest/ continue to invest in the debt securities/ commercial paper.**  
NIL

**7.16 Details of default and non-payment of statutory dues for the preceding three financial years and current financial year:**

Name of Statute	Nature of Dues	Period amount relates	Amount in Rupees (2021-22)	Amount in Rupees (2022-23)	Amount in Rupees (2023-24)
Income Tax Act	TDS	2019-20	8,32,824	8,32,824	8,32,824
Central Goods	TDS	2019-20	1,29,16,730	1,29,16,730	1,29,16,730
Income Tax Act	TDS	2018-19	5,01,375	-	-
Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 2019-20	13,71,60,972	13,71,60,972	13,71,60,972
Mines and Minerals (Development Regulation Act)	Merit	2016-17 2019.-20	90,66,196	94,19,538	94,19,538
Mines and Minerals (Development Regulation Act)	Cess	2016-17 2023-24	17,56,45,426	23,14,59,105	29,38,31,864
Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 2023-24	12,92,491	33,21,310	24,88,497

**7.17 Details Of Any Litigation Or Legal Action Pending Or Taken By Any Ministry Department Or Of The Government Or A Statutory Authority Or Regulatory Body Against Any Promoter Of The Issuer**

**During The Last Three Years Immediately Preceding The Year Of The Issue Of The General Information Document**

Government of Andhra Pradesh (“GoAP”) is the promoter of the Issuer and it may be involved in certain legal proceedings, before various courts and other forums in the ordinary course of business and may have received directions in this regard.

Therefore, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry, Department or a statutory authority or regulatory body against the GoAP during the last 3 (three) years preceding the date of this General Information Document.

**7.18 Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Issuer, which may affect the Issue or the investor’s decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares.**

While there are certain pending litigations involving the issuer, promoter, director, subsidiaries, group companies or any other person, as on the date of this General Information Document, the Issuer does not envisage that outcome of any of such litigations can have material adverse effect on the financial position of the issuer, which may affect the issue or the investor’s decision to invest / continue to invest in the debt securities.

In the ordinary course of business, Issuer is a party to certain cases which include cases involving National Green Tribunal, VAT, Income tax authorities, Supreme Court cases, City Civil courts, High Court cases, arbitration cases, Lokayukta cases, district court cases, contempt of court cases, certain mineral related matters, service related matters, mining related cases, land acquisition related cases etc.

Details of outstanding tax related matters are as follows:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which amount relates</b>	<b>Amount in Rupees (2021-22)</b>	<b>Amount in Rupees (2022-23)</b>	<b>Amount in Rupees (2023-24)</b>
Income Tax Act	Demand	CIT Appeals	2022-23 (A.Y)	5,08,47,380	5,08,47,380	5,08,47,380
Income Tax Act	Demand in nature of Penalty	CIT Appeals	2022-23 (A.Y)	86,57,91,978	86,57,91,978	86,57,91,978
Income Tax Act	Demand	CIT Appeals	2022-23 (A.Y)	1,59,96,54,780	1,59,96,54,780	1,59,96,54,780
Income Tax Act	Demand	CIT Appeals	2018-19(A.Y)	33,80,56,581	33,80,56,581	33,80,56,581
Income Tax Act	Demand	-	2020-21 (A.Y)	1,50,000	1,50,000	1,50,000
Income Tax Act	Demand	Rectification with DCIT	2014-15(A.Y)	1,54,14,54,900	1,54,14,54,900	1,54,14,54,900
Income Tax Act	Demand	ITAT	2011-12(A.Y)	5,49,46,047	5,49,46,047	5,49,46,047
Income Tax Act	Demand	ITAT	2012-13	1,10,70,279	1,10,70,279	1,10,70,279
Income Tax Act	Demand	ITAT	-	27,31,630	27,31,630	27,31,630
Income Tax Act	Demand	CIT Appeals	2016-17(A.Y)	43,07,51,326	43,07,51,326	43,07,51,326
VAT/Sales Tax	Tax on Explosive2 Nd Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165	2,87,647 3,36,253 5,08,166	2,87,647 3,36,253 5,08,167
VAT/Sales Tax	Tax on Explosive2 Nd Sale-Penalty	Tribunal	2007-08	3,92,913	3,92,913	3,92,913

VAT/Sales Tax	Tax on Explosive2 Nd Sale and consideration Penalty Interest	Tribunal	2008-09		1,00,47,014	1,00,47,014
			2008-09	1,00,47,014	33,49,005	33,49,005
			2008-09	33,49,005 6,02,821	6,02,822	6,02,823
VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12	2,32,95,681	2,32,95,681	2,32,95,681
			2009-12	83,61,030	83,61,030	83,61,030
VAT/Sales Tax	Consideration from Joint Venture & Other Receipts	Appellate Tribunal (Tirupati)	2020-21	-	6,64,38,807	6,64,38,807
CST APPELLATE Authority	H-Form's	CST Appellate Visakhapatnam	2022-23	-	3,74,39,288	3,74,39,288
CESTAT	Service tax on Seigniorage	CESTAT Hyderabad	2021-22	-	7,77,63,051	7,77,63,051
CESTAT	Penalty on service tax on Seigniorage	CESTAT Hyderabad	2021-22	-	-	7,77,63,051

**7.19 Details of acts of material frauds committed against the Issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the Issuer.**

NIL

**7.20 Details of pending proceedings initiated against the issuer for economic offences, if any**

NIL

**7.21 Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or guarantees given or securities provided.**

As per Annexure-D of this General Information Document.

**7.22 In order to allow investors to better assess the issue, the following additional disclosures to be made in the General Information Document: (i) a portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs; (ii) quantum and percentage of secured vis-à-vis unsecured borrowings granted by NBFC; (iii) any change in promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the Reserve Bank of India from time to time:**

N.A.

**7.23 Consent of directors, auditors, bankers to issue, solicitors or advocates to the issue, legal advisors to the issue, registrar to the issue, and lenders (if required, as per the terms of the agreement) and experts**

- Directors have given their consent by approving and passing board resolution dated 20.01.2025 (for issuance of NCDs)
- The company has appointed MUFG Intime India Private Limited registrar to the issue vide appointment/engagement letter dated 06.03.2025
- The relevant NOC's/consents from lenders have been obtained.
- Consents from legal advisors, auditors, bankers to issue, solicitors or advocates to the Issue are not applicable for the present Issue.
- A statement to the effect that, Beacon Trusteeship Limited, the debenture trustee has consented to its appointment in accordance with regulation 13 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. A copy of the letter obtained from the debenture trustee consenting to its appointment is enclosed in Annexure G of this General Information Document.

**7.24 Name of Debenture Trustee shall be mentioned with a statement to the effect that the Debenture Trustee has given its consent for appointment along with the copy of the consent letter from the Debenture Trustee**

As per Key Information Document for the relevant series/ tranche (as applicable).

**7.25 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention**

(i) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made:

**Actual / Actual. Please also refer to the Key Information Document;**

(ii) Procedure and time schedule for allotment and issue of securities:

<b>Issue opening date</b>	As per the relevant Key Information Document.
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<b>Issue closing date</b>	As per the relevant Key Information Document.
<b>Pay-in Date</b>	As per the relevant Key Information Document.
<b>Deemed Date of Allotment</b>	As per the relevant Key Information Document.

- (iii) Cash flows emanating from each series/ tranche (as applicable) of the Debt Securities by way of an illustration:  
As per the relevant Key Information Document.

## 7.26 UNDERTAKING BY THE ISSUER

- (a) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number under the section 'General Risks'..
- (b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this General Information Document contains all information with regard to the Issuer and the issue, that the information contained in the issue document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- (c) The Issuer has no side letter with any debenture holder except the one(s) disclosed in the General Information Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

## 7.27 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

As per relevant Key Information Document.

## 7.28 Purchase and Sale of Debt Securities

N.A.

## 7.29 Other details:

- (a) **Creation of Debenture Redemption Reserve ("DRR") – relevant legislations and applicability:**  
The Issuer shall have created a Debenture Redemption Reserve ("DRR") as per the provisions of the Companies Act, 2013 and the guidelines issued by the Ministry of Corporate Affairs and SEBI as amended from time to time (if and as applicable), and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any government agency having authority under law in respect of creation of DRR, the Issuer shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Bond Trustee. The Issue of Debt Securities shall be in conformity with the applicable provisions of the SEBI Debt Regulations, the SEBI Listing Regulations and the applicable SEBI guidelines. Insofar as the Debt Service Reserve Account (DSRA) is adequate to meet the Debenture Redemption Reserve (DRR) requirement, creation of a separate DRR shall not be required. However, in the event the DSRA is not sufficient to cover the DRR obligation for the Bonds, the Issuer shall, to the extent of such shortfall, maintain the requisite DRR in accordance with applicable laws.
- (b) **Default in payment:** As per relevant Key Information Document
- (c) **Delay in listing:** As per relevant Key Information Document
- (d) **Delay in allotment of securities:** As per relevant Key Information Document
- (e) **Delay in execution of DTD:** Where an issuer fails to execute the trust deed within the period specified in the SEBI Regulations, without prejudice to any liability arising on account of violation of the provisions of the Act and these regulations, the issuer shall also pay interest of at least two percent per annum or such other rate, as specified by the board to the holder of debt securities, over and above the agreed Coupon Rate (as applicable), till the execution of the trust deed.
- (f) **Issue details:** As per relevant Key Information Document.
- (g) **Application process:** As per the 'Issue Procedure'.
- (h) **Disclosure required under form PAS-4 under Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:** As per relevant Key Information Document.
- (i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:** As per relevant Key Information Document

- (j) **Issue/instrument specific regulations - relevant details (Companies Act, 2013 (18 of 2013), guidelines issued by the Reserve Bank of India, etc:** As per relevant Key Information Document.

**7.30 If the proceeds from the Debentures will be utilized for:**

S. No.	Particulars	Whether Applicable
1.	<p>If the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or is to be applied directly or indirectly:</p> <p>(i) in the purchase of any business; or</p> <p>(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith,</p> <p>the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof, a report made by a chartered accountant (who shall be named in the issue document) upon:</p> <p>A. the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and</p> <p>B. the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document.</p>	As per relevant Key Information Document
2.	<p>In purchase or acquisition of any immovable property including indirect acquisition of immovable property for which advances have been paid to third parties, disclosures regarding:</p> <p>(i) the names, addresses, descriptions and occupations of the vendors;</p> <p>(ii) the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;</p> <p>(iii) the nature of the title or interest in such property proposed to be acquired by the company; and</p> <p>(iv) the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction: Provided that the disclosures specified in sub-clauses (i) to (iv) above shall be provided for the top five vendors on the basis of value viz. sale consideration payable to the vendors.</p> <p>Provided further that for the remaining vendors, such details may be provided on an aggregated basis in the offer document, specifying number of vendors from whom it is being acquired and the aggregate value being paid; and the detailed disclosures as specified in sub-clauses (i) to (iv) above may be provided by way of static QR code and web link. If the issuer provides the said details in the form of a static QR code and web link, the same shall be provided to the debenture trustee as well and kept available for inspection as specified in clause (g) of paragraph 3.3.41 of this Schedule. A checklist item in the 'Security and Covenant Monitoring System' shall also be included for providing the detailed disclosures, as specified in sub-clauses (i) to (iv) above, to the debenture trustee and confirmation of the same by the debenture trustee.</p>	As per relevant Key Information Document



S. No.	Particulars	Whether Applicable
3.	<p>If:</p> <p>(i) the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and</p> <p>(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon</p> <p>A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and</p> <p>B. the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.</p>	As per relevant Key Information Document

**7.31 The said report shall:**

- (i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and
- (ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in paragraph (c) (ii) above.
- N.A.

**7.32 The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the Issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default:**

Key Terms	Particulars
Re-scheduling	
Prepayment	<p>2.00 % of the pre-paid amount. However, Pre-payment charges will not be levied on the following instances:</p> <p>a. In case payment has been made out of cash sweep/ Insurance proceeds,</p> <p>b. Payment at the instance of lenders,</p> <p>c. Loans prepaid out of higher cash accruals from the project / equity infusion by promoters and</p> <p>d. In the instances where the Bank has strategically decided to exit from the exposure</p>
Penalty	<p>In case of non-payment of interest and installment on the date when it falls due penal interest @5.00% p.a. on the irregular portion for the period of irregularity will be charged. Penal interest @1 % p.a. will be charged on entire outstanding loan amount from the date of execution of standalone documents (wherever applicable), if the perfection of security is not completed within stipulated timeline allowed of 06 months.</p>
Default	As stated above under the head "Penalty"

There is no lending or borrowing between the Issuer and its subsidiaries or associates.

**7.33 The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies.**

N.A.

**7.34 The matters relating to:**

- (i) Material contracts;
  - (ii) Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list.
- As per the relevant Key Information Document

**7.35 Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document.**

As per the Annexure-D of this General Information Document.

**7.36 The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.**

As per the Annexure-E of this General Information Document

**7.37 The details of (A) any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 or any previous companies law; (B) prosecutions filed, if any (whether pending or not); and (C) fines imposed or offences compounded, in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.**

NIL

**7.38 The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer.**

NIL

**7.39 Rights of Debenture Holders**

The rights, privileges and conditions attached to the Debt Securities may be varied, modified and/or abrogated with the consent in writing of the Debt Security Holders holding at least fifty one percent of the outstanding amount of the Debt Securities or with the sanction of special resolution passed at a meeting of the concerned Debt Security Holders, provided that nothing in such consent or resolution shall be operative against the Issuer, where such consent or resolution modifies or varies the terms and conditions governing the Debt Securities, if the same are not acceptable to the Issuer.

The registered Debt Security Holder shall be entitled to vote in respect of such Debt Securities, either in person or by proxy, at any meeting of the concerned Debenture Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debt Securities held by him/her on every resolution placed before such meeting of the Debt Security Holders.

The Debt Securities are subject to the provisions of the Debenture Trust Deed and the terms of the Issue Document. Over and above such terms and conditions, the Debt Securities shall also be subject to other terms and conditions as may be incorporated in the Debenture Trust Deed / Debenture Trustee Agreement/ letters of allotment/ debenture certificates, guidelines, notifications and regulations issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debt Securities.

**8. ISSUE PROCEDURE**

**8.1** The Issuer proposes to Issue the Debentures on the terms set out in this General Information Document and the Key Information Document subject to the provisions of the Companies Act, the SEBI NCS Regulations, the SEBI LODR Regulations, the Memorandum and 28 Articles of Association of the Issuer, PPOAL, Application Form, and other terms and conditions as may be incorporated in the Transaction Documents. This section applies to all applicants. Please note that all applicants are required to make payment of the full application amount along with submission of the Application Form. The Issuer or any of Its Promoters or Directors is not a wilful defaulter as at the date of filing of this Key Information Document and neither the Issuer or any of its Promoters or its Directors have been categorized as wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**8.2 Who Can Bid/Apply/Invest**

**All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the Issue as per the norms approved by Government of India, RBI or any other statutory body from time to time, including but not limited to SEBI Master Circular. The contents of the Issue Document and any other information supplied in connection with the Issue Document or the Debt Securities are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.**

**The Issue will be under the electronic book mechanism as required in terms of the SEBI Master Circular.**

However, out of the aforesaid class of investors eligible to invest, the Issue Document is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving the Issue Document from the Issuer).

### **8.3 Documents to be provided by successful bidders**

Investors need to submit the certified true copies of the following documents, along-with the application form, as applicable:

- (a) Articles and Memorandum of Association/ Constitution/ Bye-laws;
- (b) Board Resolution authorizing the investment and containing operating instructions;
- (c) Power of Attorney/ relevant resolution/authority to make application;
- (d) Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- (e) Copy of Permanent Account Number Card (“**PAN Card**”) issued by the Income Tax Department;
- (f) Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

### **8.4 How to bid**

Eligible Investors should refer the SEBI Master Circular for issuance of debt securities on private placement basis through an electronic book mechanism as available on web site of the relevant stock exchange. Eligible Investors will also have to complete the mandatory KYC verification process. Eligible Investors should refer to the EBP Guidelines of the relevant stock exchange. The Application Form will be filled in by each Investor. Applications for the Debt Securities must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English as per the instructions contained therein.

- (a) The details of the Issue shall be entered on the EBP platform to be used by the Issuer for the respective Tranche or Issuance within the applicable timelines in accordance with the SEBI Master Circular.
- (b) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the EBP Platform, before the start of the Issue / Bid Opening Date within the applicable timelines in accordance with the SEBI Master Circular.
- (c) A bidder will enter the bid amount while placing their bids in the EBP Platform.

Some of the key guidelines in terms of the current SEBI master Circular on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

### **8.5 Modification of Bid:**

Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for improvement of price and/or upward revision of the bid amount placed by the investor.

### **8.6 Cancellation of Bid**

Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, no cancellation of bids is permitted.

### **8.7 Multiple Bids**

Eligible Investors are permitted to place multiple bids on the EBP platform in line with the SEBI Master Circular.

### **8.8 Withdrawal of Issue**

The Issuer may, at its discretion, may withdraw from the issue process on the following conditions:

- (i) Non receipt of the bids upto the base issue size;
- (ii) Bidder has defaulted on payment towards allotment, within the stipulated time frame, due to which the Issuer is unable to fulfil the base issue size;
- (iii) cut-off yield (i.e. the highest yield at which a bid is accepted) in the issue is higher than the estimated cut-off yield (i.e. the yield estimated by the Issuer, prior to opening of issue) disclosed to the EBP, where the base issue size is fully subscribed.

Disclosure of estimated cut-off yield on the EBP platform to the eligible participants, pursuant to closure of the Issuer.

Provided that, in case an issuer withdraws issues on the EBP platform because of the cut-off yield being higher than the estimated cut-off yield, the EBP shall mandatorily disclose the estimated cut-off yield to the eligible participants.

However the Eligible Investors should refer to the SEBI Master Circular as prevailing on the date of the bid.

**8.9 Manner of Bidding**

The Issue will be through open or closed book bidding on the EBP platform as mentioned in relevant Key Information Document in line with SEBI Master Circular.

**8.10 Method of Allotment**

As per the relevant Key Information Document and in line with the SEBI Master Circular.

**8.11 Right to accept or reject bids**

The Issuer reserves its full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional / final allocations at its absolute discretion.

The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (a) Number of Debt Securities applied for is less than the minimum application size;
- (b) Application money received not being from the Issuer account of the person/entity subscribing to the Debt Securities or from the Issuer account of the person/ entity whose name appears first in the Application Form, in case of joint holders;
- (c) Issuer account details of the Applicants not given;
- (d) Details for issue of Debt Securities in dematerialized form not given;
- (e) PAN/GIR and IT circle/Ward/District not given;
- (f) In case of applications under power of attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Debt Securities applied for is/ are not allotted in full, the excess application monies of such Debt Securities will be refunded, as may be permitted.

**8.12 How to fill the Application Form**

- (a) Applications should be for the number of Debt Securities applied by the Applicant. Applications not completed in the said manner are liable to be rejected.
- (b) The name of the applicant's bank, type of account and account number must be filled in the Application Form.
- (c) The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/her PAN allotted under the Income -Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the certificates. Hence, the investor should mention their PAN/GIR No. Application Forms without this information will be considered incomplete and are liable to be rejected.
- (d) All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ private/ religious/ charitable trusts, provident funds and other superannuation trusts and other investors requiring "approved security" status for making investments. These are not approved securities as defined under the Insurance Act, 1938.

Applications should be for the number of Debt Securities applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

For further instructions about how to make an application for applying for the Debt Securities and procedure for remittance of application money, As per Issue Details and the Application Form.

**8.13 Terms of Payment**

The full-face value of the Debt Securities applied for is to be paid along with the Application Form. Eligible Investor(s) need to send in the Application Form and the details of NEFT/RTGS for the full value of Debt Securities applied for.

**8.14 Force Majeure**

The Issuer reserves the right to withdraw the Issue prior to the Issue / Bid Closing Date in accordance with the SEBI Master Circular, in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise.

**8.15 Who can apply**

The Eligible Investors as identified under this General Information Document read with relevant Key Information Document to be issued by the Issuer for the respective Tranche. The bidders should be registered/enrolled with the relevant EPB Platform. All the registered and eligible participants are required to

update the necessary bank account and demat details before participating in the bidding process on relevant EPB Platform.

**8.16 Application Procedure**

Eligible Investors may apply through the relevant EPB Platform through electronic book mechanism in line with the SEBI Master Circular, as amended from time to time.

The settlement procedure shall be in accordance with the SEBI Master Circular read with relevant EPB Guidelines:

- (a) Pay-in towards the allotment of Debt Securities shall be done from the account of the bidder, to whom allocation is to be made;
- (b) Pay in shall be done through clearing corporation as intimated by the EBP to the bidder.

**8.17 Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an Application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

**8.18 Application by Mutual Funds**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

**8.19 Application by Provident Funds, Superannuation Funds and Gratuity Funds**

The applications must be accompanied by certified true copies of

- (a) Trust deed / bye laws /resolutions
- (b) Resolution authorizing investment
- (c) Specimen signatures of the authorized signatories

Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate issued by the Income Tax officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

**8.20 Acknowledgements**

No separate receipts will be issued for the application money. However, the Issuer receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

**8.21 Basis of allocation**

The Debt Securities shall be allocated in accordance with applicable SEBI regulations, the provisions of the SEBI Master Circular of the Stock Exchange and other Applicable Laws.

**8.22 Date of Subscription**

The Date of Subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account of relevant clearing corporation.

**8.23 Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of the Issuer or by a Magistrate/ Notary Public under his/her official seal.

**8.24 Nomination Facility**

Only individuals applying as sole applicant/joint applicant can nominate, in the prescribed manner, a person to whom his Debt Securities shall vest in the event of his death. Non-individuals including holders of power of attorney cannot nominate.

**8.25 Eligible Investors**

All Eligible Investors (as identified under relevant Key Information Document) are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debt Securities.

**Note:** Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

**8.26 Procedure for Applying for Dematerialised Facility**

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/ CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debt Securities in Electronic/Dematerialised Form".
- (c) Debt Securities allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debt Securities, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debt Securities in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debt Securities, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Holders whose names appear on the list of beneficial owners maintained by the Registrar as on the Record Date. In case of those Debt Securities for which the beneficial owner is not identified in the records of the Registrar as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the Registrar and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

**8.27 Depository Arrangements**

The Issuer has made necessary depository arrangements with NSDL and CDSL for the Issue and holding of Debentures in the dematerialised form by investors. In this context, the Issuer has signed tripartite agreements as under:

- (a) Tripartite Agreement between the Issuer, the Registrar and Transfer Agent and NSDL.
- (b) Tripartite Agreement between the Issuer, the Registrar and Transfer Agent and CDSL.

**8.28 Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed/Statute (in case of a statutory body);
- (b) Resolution authorising investment
- (c) Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds and Foreign Portfolio Investors)
- (f) Government notification (in case of primary co-operative Issuer and regional rural Issuers);
- (g) Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money
- (h) Copy of PAN card, if any; and
- (i) Application Form (including RTGS/ NEFT details)

**8.29 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank.

**8.30 List of Beneficial Owners**

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of the Redemption Premium and Redemption Amount, as the case may be.

### 8.31 Succession

In the event of winding-up of the holder of the Debt Security(s), the Issuer will recognize the executor or administrator of the concerned Holder(s), or the other legal representative as having title to the Debt Security(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debt Security(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debt Security(s) standing in the name of the concerned Holder on production of sufficient documentary proof and/or an indemnity.

## 9. OTHERS

### (a) Right of holder(s)

Holder is not a shareholder. The Holders will not be entitled to any rights and privilege of shareholders other than those available to them under statutory requirements. The Debt Security(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Issuer. The principal amount and interest on the Debt Securities will be paid to the registered Holders only and in case of Joint Holders, to the one whose name stands first.

Besides the above, the Debt Securities shall be subject to the provisions of the terms of this Issue and the other terms and conditions as may be incorporated in the Debenture Trustee Appointment Agreement and other documents that may be executed in respect of these Debt Securities.

### (b) Modification of Rights

The rights, privileges, terms and conditions attached to the Debt Securities may be varied, modified or abrogated by the Issuer, with the consent, in writing, of those Holders who hold at least three fourth of the outstanding amount of the Debt Securities or with the sanction accorded pursuant to a special resolution passed at a meeting of the Holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debt Securities, if the same are not acceptable to the Issuer.

Further, the Issuer shall be entitled (without obtaining a prior approval from the Holders) to make any modifications in this General Information Document which in its opinion is of a formal, minor or technical nature or is to correct a manifest error.

### (c) Future Borrowings

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ bonds/other securities in any manner by creating a charge on any assets, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents, provided stipulated security cover is maintained on the bonds and after obtaining the consent of, or intimation to, the Bond Holders or the Debenture Trustee and compliance with other terms of the Transaction Documents.

### (d) Notices

All notices to the Holder(s) required to be given by the Issuer or the Trustee from time to time, shall be deemed to have been given if sent by registered post/ by courier/by email to the sole/ first holder or the sole/ first Beneficial Owner of the Debt Securities or registered email id of such holder, as the case may be, or if published in Mumbai.

All notice(s) to be given by the Holder(s) shall be sent by registered post or by hand delivery to the Issuer to the following address:

Managing Director, APMDC,  
# 294/1D, 100 Feet Tadigadapa to Enikepadu Road,  
Tadigadapa, Vijayawada – 521137, Andhra Pradesh

### (e) Minimum subscription

Minimum subscription of INR 9 lakhs (comprising 1 Bond of INR 1 lakh face value in each Sub-Series A to I) and in multiples thereof.

### (f) Underwriting

As per the relevant Key Information Document.

### (g) Letter(s) of Allotment / Debt Securities Certificate(s) /Refund Order (s)/Issue of Letter(s) of Allotment

The Issuer shall allot the Debt Securities within the timeline prescribed under the SEBI Regulations and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period.

- (h) **Issue of Debt Securities Certificate(s)**  
The Issuer shall allot the Debt Securities in dematerialized form within the timeline prescribed under the SEBI Regulations and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period. The Debt Securities since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other Applicable Laws and rules notified in respect thereof. The Debt Securities shall be allotted in dematerialized form only.
- (i) **Listing of Debt Securities**  
The Bonds shall be listed on NSE within three working days from the date of closure of the issue for relevant tranches.
- (j) **Trading of Debt Securities**  
The marketable lot for the purpose of trading of Debt Securities shall be 1 (one) Debt Security of face value of INR 1,00,000/- (Indian Rupees one lakh each. Trading of Debt Securities would be permitted in demat mode only in standard denomination of INR 1,00,000/- (Indian Rupees one lakh only) and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Debt Securities which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.
- (k) **Mode of Transfer of Debt Securities**  
The Debt Securities shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the CDSL/NSDL/Depository Participant of the transferor/transferee and any other Applicable Laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debt Securities held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer. Transfer of Debt Securities to and from NRIs/ OCBs, in case they seek to hold the Debt Securities and are eligible to do so, will be governed by the then prevailing guidelines of RBI.
- (l) **Common Form of Transfer**  
The Issuer undertakes that it shall use a common form/procedure for transfer of Debt Securities issued under terms of this General Information Document.
- (m) **Interest on Application Money**  
As specified in the relevant Key Information Document.
- (n) **Interest on the Debt Securities**  
As specified in the relevant Key Information Document.
- (o) **Right to further issue under the ISINs**  
The Issuer reserves right to effect multiple issuances under the same ISIN in accordance with the SEBI Debt Regulations. The Issue can be made either by way creation of a fresh ISIN or by way of issuance under the existing ISIN at premium, par or discount as the case may be in line with the SEBI Debt Regulations.
- (p) **Right to Re-purchase, Re-issue or Consolidate the Debt Securities**  
The Issuer will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debt Securities from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to Applicable Law and in accordance with the applicable guidelines or regulations, if any.  
In the event of a part or all of the Issuer's Debt Securities being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have and shall be deemed always to have had, the power to re-issue the Debt Securities either by re-issuing the same Debt Securities or by issuing other debt securities in their place. The Issuer shall have right to consolidate the Debt Securities under present series in accordance with Applicable Law.  
Further the Issuer, in respect of such re-purchased or re-deemed Debt Securities shall have the power, exercisable either for a part or all of those Debt Securities, to cancel, keep alive, appoint nominee(s) to hold or re-issue at such price and on such terms and conditions as it may deem fit and as permitted under the ISIN circulars or by laws or regulations.



(q) **Deduction of Tax at Source**

All payments to be made by the Issuer to the Holders under the Transaction Documents shall be made free and clear of and without deduction for or on account of taxes, except as required under the Income Tax Act, 1961, in the case of payment of interest under any Transaction Document or any interest to be paid on the withheld premium or any other amount payable in relation to the Debt Securities, as applicable. Provided that, the Issuer within the time stipulated under Applicable Laws delivers to the Trustee/ Holders tax withholding or tax deduction certificates in respect of such withholding or deduction made in any Fiscal Year, evidencing that such deducted taxes or withholdings have been duly remitted to the appropriate Governmental Authority.

If the Issuer is required to make a tax deduction, it shall make that tax deduction and any payment required in connection with such tax deduction within the time allowed and in the minimum amount required by Applicable Law.

(r) **Deemed Date of Allotment**

All benefits under the Debt Securities including payment of interest will accrue to the Holders from and including the respective Deemed Date of Allotment. The actual allotment of Debt Securities may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date/pay-in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre -pond/ postponed) by the Issuer at its sole and absolute discretion.

(s) **PAN Number**

Every applicant should, if applicable, mention its Permanent Account Number (“PAN”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

**10. DISPUTES & GOVERNING LAW**

The Debt Securities are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the sole jurisdiction of courts of Vijaywada/ Amaravati and Mumbai respectively.

**11. DISCLOSURES PERTAINING TO WILFUL DEFAULT (IF ANY)**

**In case of listing of debt securities made on private placement, the following disclosures shall be made:**

- (a) Name of the bank declaring the entity as a wilful defaulter: NIL
- (b) The year in which the entity is declared as a wilful defaulter: NIL
- (c) Outstanding amount when the entity is declared as a wilful defaulter: NIL
- (d) Name of the entity declared as a wilful defaulter: NIL
- (e) Steps taken, if any, for the removal of the director of the Issuer from the list of wilful defaulters: NIL
- (f) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL
- (g) Any other disclosure as specified by the Board of the Issuer: NIL

**12. UNDERTAKINGS**

- (a) The Issuer hereby agrees and confirms that the permission or consent to create pari-passu charge on the assets of the Issuer has been obtained from the existing creditors/lenders/existing debenture trustee, if applicable;
- (b) The Issuer hereby undertakes that the assets on which the charge or security has been created to meet the hundred percent security cover or higher security cover is free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.
- (c) The Issuer hereby undertakes that necessary documents for the creation of charge, where applicable, including Debt Security Trust Deed would be executed within time-frame prescribed in the Applicable Laws and the same would be uploaded on website of the designated stock exchange, where the debt securities will be listed.

**13. OTHER DISCLOSURES**

- (a) Debt Securities shall be considered as secured only if the charged asset is registered with sub-registrar and registrar of companies or Central Registry of Securitisation Asset Reconstruction and Security Interest or depository etc., as applicable or is independently verifiable by the Debenture Trustee;

- (b) Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee: Details mentioned in Key Information Document; and
- (c) Due Diligence Certificate – As per relevant Key Information Document.

## **14. ISSUE DETAILS**

### **14.1 Summary of Key Terms**

As per applicable Key Information Document for a summary of the key terms of each relevant series/ tranche (as applicable).

The list of documents which have been executed/to be executed in connection with the relevant series/ tranche (as applicable) and subscription of debt securities for the relevant series/ tranche (as applicable) shall be annexed to the Key Information Document for the relevant series/ tranche (as applicable).

If there is any change in Coupon Rate pursuant to any event then such new Coupon Rate and events which lead to such change shall be disclosed.

The Issuer will provide granular disclosures in the Key Information Document, with regards to the “Object of the Issue” including the percentage of the issue proceeds earmarked for each of the “Object of the Issue”.

## **15. DECLARATION**

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in the Issue Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other Applicable Laws, as the case may be. The information contained in the Issue Document is subject to the information available with the Issuer. The extent of disclosures made in the Issue Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past. For any additional declarations, As per Key Information Document for the relevant series/ tranche (as applicable).

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that the Issue Document contains all information with regard to the Issuer and the Issue (as set out in the Key Information Document, for the relevant series/ tranche (as applicable)), that the information contained in such Issue Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘Risk factors’ given on page number 9 under section 6 ‘General Risks’.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Issue Document. Any covenants later added shall be disclosed on the relevant stock exchange’s website where the Debentures are listed.

## DECLARATION BY THE AUTHORISED OFFICER OF THE ISSUER

We, authorized officers of the Issuer hereby attest that:

- a. Except as stated herein, the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992), Companies Act, 2013 (18 of 2013) and the rules and regulations made thereunder;
- b. the compliance with the Companies Act, 2013 and the rules and regulations thereunder does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the relevant Key Information Document;
- d. whatever is stated in this General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
- e. Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 6 'General Risks' of this General Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.
- f. The contents of this General Information Document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors
- g. We are duly authorised to attest as per this clause by the board of directors, by a resolution, a copy of which is annexed as an annexure in this General Information Document.
- h. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this General Information Document.

Signed for The Andhra Pradesh Mineral Development Corporation Limited



**Name:** Pravin Kumar IAS  
**Designation:** Managing Director, FAC



**Name:** V. V. V. Phani Kumar  
**Designation:** GM (F&A) & Compliance Officer



**Date:** April 22, 2025

**PRAVIN KUMAR, I.A.S.,**  
Managing Director  
The A.P. Mineral Development Corp. Ltd.,  
Corporate Office : #294/1D, 100 Feet Road,  
(Tadigadapa to Enikepadu Road)  
Vijayawada-521 137, N.T.R. District.

**ANNEXURE A  
PART A**

**IN-PRINCIPLE APPROVAL FROM NSE**

The company is in process of applying to NSE for seeking In-Principle approval for issuance of Bonds. Promptly after receiving in-Principle approval letter from NSE, the company shall attach the In-Principle approval letter as Annexure A.

**ANNEXURE B**  
**COPY OF BOARD RESOLUTION**



**APMDC**

**The Andhra Pradesh Mineral Development Corporation Limited**  
(A Govt. of Andhra Pradesh Undertaking)

Reg. Off. #D.No:6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapul, Hyderabad - 500004.

**THE EXTRACTS OF MINUTES OF 426<sup>TH</sup> BOARD MEETING OF THE DIRECTORS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED HELD ON 21<sup>ST</sup> FEBRUARY, 2025 AT 11.00 AM AT CHAMBERS OF SECRETARY (MINES), BLOCK-IV, A.P. SECRETARIAT, VELAGAPUDI, GUNTUR, ANDHRA PRADESH. ADHRA PRADESH.**

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**Item No. 18**

**To consider a note on approval of issue of non-convertible debentures by way of private placement basis - Reg.**

The Board perused the agenda note and resolved the following:-

**"RESOLVED THAT**, in supersession of the resolution number 4 passed by the Board of directors at their 424th meeting held on January 20th, 2025, wherein the board of directors had approved the issue of senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds of face value of INR 1,00,000 (Rupees One Lakh Only) each, in one or more tranches and/ or sub-series, aggregating Minimum of Rs.5000 Cr. (Rupees five thousand crores only) on private placement basis ("Debentures"/ "NCDs"/ "Bonds") ("Issue") as per the vide G.O.Ms.No. 97 dated 26th December, 2024 and pursuant to Sections 179(3)(c), 42 and 71 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof and the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "**Companies Act, 2013**"), the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time (the "**SEBI NCS Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable laws, if any, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and other relevant provisions of the Companies Act, 2013 or any other applicable laws, and such approvals, sanctions, consents and/or permissions of the Securities and Exchange Board of India ("**SEBI**"), the stock exchanges and/or such other appropriate authorities, institutions or bodies, as the case may be and subject to the consent of the members of the Company, the Board hereby approves the issue of non-convertible debentures in the form of senior, secured, rated, listed,

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#D.No: 294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanuru (V), Penamaluru (M),

Vijayawada - 521 137, Andhra Pradesh. Tel: 0866 - 2429999, Fax: 0866 - 2429977

e-mail: info-ho@apmdc.in || Website: www.apmdc.ap.gov.in || CIN:U13209TG1961SGC000871



redeemable, taxable, non-convertible debentures of the face value of INR 1,00,000 (Rupees One Lakh Only) each, in one or more tranches and/ or sub-series ("**Bonds**" / "**NCDs**" / "**Debentures**"), on private placement basis to identified investors (the "**Issue**"), from time to time, up to a maximum limit of INR 10,000,00,00,000 (Rupees Ten Thousand crores only), and which may be listed on one or more of the recognized stock exchange(s) at such coupon rates and on such terms and conditions in accordance with the SEBI NCS Regulations and any other law, rules, directions issued by the Government or any other regulatory authority, in this regard as may be determined by the persons authorized by the Board for this purpose, from time-to-time.

**RESOLVED FURTHER THAT** the aforesaid issue of Bonds by the Company be secured by way of creating charge over certain identified assets of the Company as stated in the draft term sheet placed before the Board and by an unconditional and irrevocable guarantee extended by the government of Andhra Pradesh (hereafter referred to as the "**Security**").

**RESOLVED FURTHER THAT** the proceeds arising from the proposed issue of Bonds shall be utilised inter alia towards acquisition of mining rights, development of mining infrastructure at large, and if required, for prepayment of existing borrowings and such other objects as determined in the draft term sheet for one or more tranches of the Issue, as placed before the Board.

**RESOLVED FURTHER THAT** Sri R. Kedaranatha Reddy, Executive Director of APMDC Limited and Sri V V V Phani Kumar, General Manager (F&A) of the Company be and are hereby severally authorized to approve, implement, negotiate, carry out and decide upon, all activities in connection with the Issue, including, but not limited to:

- a. negotiate, modify and approve the terms of the Issue including but not limited to the actual size, timing, pricing, objects, eligible investors and all other terms and conditions of the Issue including coupon rate, yield, retention of over subscription, identification of investors, if any, etc, and to accept any amendments, modifications, variations or alterations thereto and all other related matters, including the determination of the size of the Issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue, if any;
- b. accept and execute any declarations required in connection with general information document, key information document(s) (collectively the "**Issue Documents**") for issue of the Bonds, debenture trustee agreement, debenture trust deed, deed of hypothecation, deed of mortgage, deed of pledge or such other security document as the case may be, power(s) of attorney and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents,

communications, affidavits, applications, letters or any other documents (including those to be filed with the regulatory authorities, if any) ("**Transaction Documents**") and negotiate and agree to/ accept any changes and modifications to the terms and conditions contained in the Transaction Documents (whether before or after the execution of the Transaction Documents) together with all other documents, agreements, instruments, power(s) of attorney letters and writings required in connection with, or ancillary to, the Transaction Documents (the "**Ancillary Documents**") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which the Company is a party as well as to accept and execute any amendments, amendment and restatements or modifications to the Transaction Documents, the Ancillary Documents and other deeds, documents and other writings as and when necessary, including any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board and to take all such further steps as may be required to give effect to the aforesaid resolutions;

- c. negotiate and finalise fees payable to the Debenture Trustee, and all other intermediaries or other parties providing services or otherwise associated with the issue of the Bonds;
- d. make the necessary application for creation of International Securities Identification Number to National Securities Depository Limited or Central Depository Services (India) Limited, for rating letters to the rating agency, and such other applications to all such authorities as may be necessary from time to time for the purpose of issuance of the aforesaid Bonds;
- e. seeking the listing of the Bonds on one or more Indian stock exchange, submitting the listing application to such stock exchange, submitting an application to any stock exchange to act as the Designated Stock Exchange, and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned Stock Exchange(s); and taking all actions that may be necessary in connection with obtaining such listing;
- f. arrange for payment of the applicable stamp duty, notarisation, registration charges and corporate action fees and other fees in respect of the above referred Transaction Documents and also in respect of all other transactions, documents and instruments executed in relation to the Issue;
- g. file with the relevant Registrar of Companies and any other authority(ies), all particulars in respect of the creation of charge/return of allotment or make any other filing as may be required for the issue of the Bonds in accordance with the Companies



Act, 2013 and rules made thereunder, as may be required in the Transaction Documents and the Ancillary Documents with any authority, and/ or any other applicable law(s) as may be required under Applicable Law;

- h. appoint any person(s) as the true and lawful attorney to take all such actions as contemplated herein, for and on behalf of the Company, and to execute any power(s) of attorney granting the authority to such person(s) in this regard;
- i. appoint/ ratify (as the case may be) the appointment of the lead managers, legal counsel, credit rating agencies, registrar and share transfer agents, debenture trustee, bankers to the Issue, professionals and other intermediaries to the Issue in accordance with the provisions of the SEBI NCS Regulations and to remunerate them by way of commission, brokerage, fees or the like and to negotiate, modify, enter into, execute, deliver and register all deeds, contracts, agreements, memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the Issue including the listing of the Bonds on the stock exchange(s) and creation of security for the Bonds;
- j. negotiate, finalize, decide and empanel on electronic bidding platform facilitated by the stock exchanges to facilitate bidding to the identified investors and carry out all necessary activities in this regard;
- k. seek, if required, any approval, consent or waiver from the lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds and creation of security;
- l. approve the materiality policy for the litigations to be disclosed in the Issue Documents, if required;
- m. grant of powers of attorney / authority, if required, to such officers / employees of the Company or of its subsidiary or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the Bonds;
- n. to get the Bonds admitted to National Securities Depository Limited and Central Depository Services (India) Limited, and to execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and to negotiate, finalise and execute or ratify the agreements, undertakings or other writings required, with authorities / agencies for the Issue in the dematerialised form;

- o. appoint the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the SEBI NCS Regulations;
- p. authorize persons for maintenance of a register of holders of the Bonds;
- q. open such banks accounts, demat accounts, with Scheduled Commercial Banks, institutions or agencies as may be required for the Issue;
- r. accept and appropriate of the proceeds of the Issue;
- s. finalization of the date of allotment and finalization of the basis of allotment of the Bonds on the basis of the applications received and to approve and to issue and allot the Bonds and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, credit of Bonds and do all such acts, deeds, matters and things in relation to the allotment of the Bonds;
- t. to appoint independent Chartered Accountant(s), Practising Company Secretary, Statutory Auditors to issue such reports including financial reports/statements for the purpose of Issue;
- u. approve, modify, finalise and adopt the Issue Documents (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines prior to the filing of the relevant Issue Documents with the Stock Exchange(s) where the Bonds are intended to be listed, the Registrar of Companies ("RoC") and/or any other statutory or regulatory authority, as may be necessary, and any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board; and
- v. to ratify all deeds, actions and things undertaken by the Company or any of its officials including but not limited to application to one or more regulatory or statutory authority for exemption or any other matter incidental to the proposed Issue.
- w. to do all acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions and to execute on behalf of the Company, such deeds, documents, agreements and writings in this regard as may be necessary; and

**RESOLVED FURTHER THAT** the powers of the Authorized Persons set forth herein above are inclusive and not exclusive, and shall not be deemed to be restricted to, or be constrained by, the provisions of any other part of this resolution so long as the same is in connection with the Bonds.



**RESOLVED FURTHER THAT** Managing Director or any other Directors of the Company or the Authorised Persons, be and are hereby severally authorized also to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the Issue Documents, application form, confirmation of allocation, or issue of the Bonds, debenture trustee agreement, debenture trust deed, deed of hypothecation, deed of mortgage, power of attorney(s) and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) ("**Transaction Documents**") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents ("**Ancillary Documents**") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched under or in connection with the documents to which the Company is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all acts, deeds, matters or things as they may deem necessary or incidental in connection with the Issue from time to time and matters connected therewith.

**RESOLVED FURTHER THAT** a copy of the above resolution, certified to be true by Managing Director or any Director of the Company, be forwarded to concerned authorities for necessary actions."

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**"Certified True Copy"**



**(Pravin Kumar, IAS)**  
Managing Director (FAC)  
DIN NO: 07106418

**ANNEXURE C**  
**COPY OF SHAREHOLDERS RESOLUTION**



**APMDC**

**The Andhra Pradesh Mineral Development Corporation Limited**  
(A Govt. of Andhra Pradesh Undertaking)

Reg. Off. #D.No:6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapul, Hyderabad - 500004.

**THE EXTRACTS OF MINUTES OF EXTRAORDINARY GENERAL MEETING OF THE SHARE HOLDERS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED HELD ON 21<sup>ST</sup> FEBRUARY, 2025 AT 12.30 PM AT CHAMBERS OF SECRETARY (MINES), BLOCK-IV, A.P. SECRETARIAT, VELAGAPUDI, GUNTUR, ANDHRA PRADESH. ADHRA PRADESH.**

**Item No.: 1- To approve issue of non-convertible debentures ("Bonds") upto an amount of INR Rs. 10,000,00,00,000 (Rupees ten thousand crores only) in one or more tranches and/ or sub-series on private placement basis, and deciding the terms of the issue - Reg.**

**To consider and, if through fit, to pass with or without modification the following resolution in respect of issue of non-convertible Debenture upto an amount of Rs. 10,000,00,00,000 Crores as Special Resolution**

**"RESOLVED THAT** pursuant to Sections 42, 71 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof and the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (the "**Companies Act, 2013**"), the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time (the "**SEBI NCS Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable laws, if any, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the overall limits up to which the Board of directors of the Company (hereinafter referred to as the "**Board**", which expression shall deem to include any committee thereof) and subject to the approval of members of the Company under relevant provisions of the Companies Act, 2013, if required, and such approvals, sanctions, consents and/or permissions of the Securities and Exchange Board of India ("**SEBI**"), the stock exchanges and/or such other appropriate authorities, institutions or bodies, as the case may be, the members of the Company do and hereby approve the borrowing of funds by way of issue and allotment of non-convertible bonds in the form of secured/ unsecured, rated/ unrated, listed/ unlisted, redeemable, taxable, non-convertible bonds in one or more tranches and/ or sub-series ("**Bonds**"), on private placement basis to identified investors (the "**Issue**"), from time to time, aggregating up to a maximum limit of Rupees 10,000,00,00,000 (Rupees ten thousand crores only), in one or more tranches and/ or sub-series and which may be listed on one or more of the recognized stock exchange(s) at such coupon rates and on



the principal terms and conditions (briefly detailed below) as shall be set out in detail in the draft offer documents:

Sl.no	Particulars	Remarks
1	Particulars of offer	Issue and allotment of non-convertible bonds in the form of secured/ unsecured, rated/ unrated, listed/ unlisted, redeemable, taxable, non-convertible bonds, in one or more tranches and/ or sub-series (" <b>Bonds</b> ")), on private placement basis to identified investors (the " <b>Issue</b> "), from time to time, aggregating up to a maximum limit of Rupees 10,000,00,00,000 (Rupees ten thousand crores only), in one or more tranches and/ or sub-series.
2	Object of Issue	As may be decided by the Board
3	Kind of securities offered	Privately placed non-convertible bonds.
4	Basis of justification for the price (including premium, if any) at which the offer or invitation is being made	As may be decided by the Board
5	Name and address of Valuer who performed valuation	Not applicable as the securities proposed to be issued (in multiple issues / tranches) are non-convertible debt instruments.
6	Amount which the company intends to raise by way of such securities	Upto INR 10,000,00,00,000 (Rupees ten thousand crores only)
7	Face Value	As may be decided by the Board
8	Coupon Payment Frequency	As may be decided by the Board
9	Material terms of raising such securities, proposed time schedule, purposes/ objects of offer, contribution being made by the promoters or directors either as part of the offer or separately	Material terms of raising such securities: As may be decided by the Board Proposed Time Schedule/ Tenor: As may be decided by the Board Purpose of offer: As may be decided by the Board Contribution being made by the promoters or directors either as part of the offer or separately: As may be ascertained subsequently
10	Redemption Date and Amount	As may be decided by the Board

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid Resolution, the Board or any other committee constituted by the Board be and is hereby authorized to take such actions and to give all such directions, or to do all such acts, deeds, matters, and things as may be necessary or desirable in this regard including but not limited to negotiation, discussion and finalization of the detailed terms and conditions of the Bonds Issue, size of Issue, tenor of Issue, interest payment frequency, redemption dates, coupon rate, interest reset procedure, apply to relevant governmental authority or any other authority (ies) as may be required, terms of redemption, arrangers fee, obtain credit ratings, apply to state government for issue of government order, application to any authority for any matter incidental thereto, security with regard to secured Debentures, appointment of intermediaries or such parties on such terms as may be deemed fit and as may be required for the purpose of the Issue and to decide any other terms etc. and to delegate its powers to any committee, director or official of the Company to do any incidental acts for and on behalf of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to engage depositories, registrars, bankers, and other consultants and advisors or such other parties, as may be deemed necessary, for the issue and to remunerate them by way of fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required and as permitted by law.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this Resolution.”

---

**“Certified True Copy”**



**(Pravin Kumar, IAS)**  
Managing Director (FAC)  
DIN NO: 07106418

**ANNEXURE D**  
**RELATED PARTY TRANSACTIONS**



**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Subsidiaries</b>		
Ongoleiron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimexbarite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavaredgranite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

<b>Name of the related party</b>	<b>Relation</b>
AP state fibernet limited Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited	Fellow Government company / Authority



**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2022	As at 31-03-2021
Andhra Pradesh granite (Midwest) private limited	62	840
Pallavared granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2022	As at 31-03-2021
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited	-	237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2022	As at 31-03-2021
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2022	As at 31-03-2021
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352



<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	-

**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.



**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagaon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (01-04-24 to 07-06-24)	Vice Chairman & Managing Director
Dr. N. Yuvaraj (07-06-24 to 24-06-2024)	
Sri Pravin Kumar, IAS (24-06-2024 onwards)	



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited- APSFSCCL The Commissioner SS&LR Department	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliari coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1



Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG. Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Royalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.



**ANNEXURE E**

**AUDITED STANDALONE FINANCIAL STATEMENTS ALONG WITH AUDIT REPORT, THE  
REQUISITE SCHEDULES, FOOTNOTES, SUMMARY ETC.  
“Attached Separately”**



## ANNEXURE F

1. **Details of outstanding secured loan facilities as on March 31, 2025:**

Name of Lender	Type of facility	Amount Sanctioned	Principal Amount outstanding as on 31.03.2025	Repayment Date/ Schedule	Security
State Bank Of India	Term Loan	918.00	559.43	The term Loan (Principal) is to be repaid in 102 monthly instalments of each Rs.9.00 Cr commencing from 30.04.2022. Interest to be serviced separately as per monthly rests and as and when it is applied.	<ul style="list-style-type: none"> <li>• Pari - passu first charge on the entire cash flows of the Suliari Coal project along with Union Bank of India under MBA.</li> <li>• Pari passu first charge on the cash flows of the projects (Barytes) other than the proposed Suliari coal project.</li> </ul> Assignment of Project documents including Coal Allotment Agreement for "Suliari" Coal Block in favour of the Bank. Collateral: Nil Personal Guarantee: Nil Corporate Guarantee: Nil

2. **Details of outstanding unsecured loan facilities:**

Name of Lender	Type of facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date/ Schedule	Credit Rating, if applicable
N.A.					

3. **Details of outstanding non-convertible securities:**

Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
N.A.									

4. **Details of commercial paper issuances:**

Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
N.A.										

5. **List of top ten holders of non-convertible securities in terms of value (on a cumulative basis):**

S. No.	Name of holders	Category of holder	Face value of holding	Holding as a % of total outstanding non-convertible securities of the issuer
N.A.				

6. **List of top ten holders of commercial paper securities in terms of value (on a cumulative basis):**

S. No.	Name of holders	Category of holder	Face value of holding	Holding as a % of total commercial paper outstanding of the issuer
N.A.				



7. **Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors:**

Name of Party (in case of facility)/ Name of Instrument	Type of facility / Instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
SBI	Term Loan	918.00	559.43				1. First Charge on the entire cash flows of Suliyari Coal Project and Barytes Project 2. Assignment of Project documents including Coal Allotment Agreement for Suliyari Coal Block in favour of the Bank
SBI	CC	100.00	0.00				WC: Exclusive charge by way of hypothecation of Stocks and receivables (present and future) and entire cash flows of the company.
SBI	LC	100.00	0.00				
SBI	BG	1200.00	906.52				

**ANNEXURE G**

**CONSENT LETTER FROM DEBENTURE TRUSTEE**



6956/CL/MUM/24-25/DEB/620

Date: March 11, 2025

**The Andhra Pradesh Mineral Development Corporation Limited**

D.No.6-1-67/19/1 & 67/20 Flat No.302,  
Super Classic Apartments,  
Saifabad, Lakdikapool, Hyderabad,  
Hyderabad-500004, Telangana  
India

**Kind Attn: Mr. Pravin Kumar IAS (Vice Chairman & Managing Director)****Sub: Consent Letter to act as Debenture Trustee for senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds aggregating upto Rs. 10000.00 Crores**

Dear Sir,

This is with reference to our discussion regarding the appointment of Beacon Trusteeship Limited as Debenture Trustee for senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds aggregating to Rs. 10000.00 Crores

In this regard it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

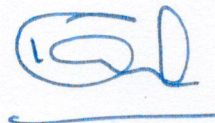
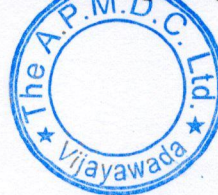
We are also agreeable for the inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully

**For Beacon Trusteeship Limited****Bhagyashree Korpade**Relationship Manager  
Mumbai, March 11, 2025**Authorised Signatory**

Accepted

**For The Andhra Pradesh Mineral Development Corporation Limited****Authorised Signatory****BEACON TRUSTEESHIP LTD.**

Regd &amp; Corporate Office : 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051

CIN: L74999MH2015PLC271288

Phone : 022 - 46060278 | Email : [contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in) | Website : [www.beacontrustee.co.in](http://www.beacontrustee.co.in)



**ANNEXURE H**

**CONSENT LETTER FROM REGISTRAR AND TRANSFER AGENT**



## MUFG Intime India Private Limited

(Formerly Link Intime India Private Limited)

CIN: U67190MH1999PTC118368

C-101, Embassy 247, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083

Phone: +91 22 4918 6000

Fax: +91 22 4918 6060

Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**April 08, 2025**

**To**  
**The Andhra Pradesh Mineral Development Corporation Limited,**  
Door No. 294/1D, 100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137, Andhra Pradesh, India.

**Dear Sir/Madam,**

**Sub.: Consent to act as Registrar to the Proposed issue of “Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures (“NCD” or “Debentures” or “Bonds”); supported by Unconditional & Irrevocable guarantee from the Government of Andhra Pradesh (“GoAP”)” of Face Value of Rs. 1 Lakh each for Cash at Par Aggregating to INR 9,000 Crores to be issued on Private Placement basis**

We refer to the subject issue and hereby accept our appointment as ‘Registrar’ for Electronic Connectivity Provider to issue of “Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures (“NCD” or “Debentures” or “Bonds”); supported by Unconditional & Irrevocable guarantee from the Government of Andhra Pradesh (“GoAP”)” of Face Value of Rs. 1 Lakh each for Cash At Par Aggregating to INR 9,000 Crores and give our consent to incorporate our name as “Registrar to the Issue” in the offer documents.

Our Permanent SEBI Registration No.: INR000004058.

Thanking You.

Yours faithfully,

For MUFG Intime India Private Limited

  
**Ganesh Jadhav**  
Senior Associate Vice President-Depository Operations

**ANNEXURE I**

**LETTER FROM CREDIT RATING AGENCIES**

To,  
Managing Director  
The Andhra Pradesh Mineral Development Corporation Ltd.  
294/1-D, 100 Ft Kanur to Nidamanur Road,  
Vijayawada, Krishna District,  
Andhra Pradesh-521137

April 16, 2025

*Dear Sir/Madam,*

**Re: Rating Letter for NCD of The Andhra Pradesh Mineral Development Corporation Ltd.**

India Ratings and Research (Ind-Ra) has rated The Andhra Pradesh Mineral Development Corporation Ltd's (APMDC) proposed non-convertible debentures (NCDs) as follows:

Instrument Type	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures <sup>\$^</sup>	INR90,000	Provisional IND AA(CE)/Stable	Assigned

<sup>\$</sup>Credit ratings with (CE) suffix indicates that the instruments are supported by an external explicit credit enhancement.

<sup>^</sup>The rating on the proposed NCDs is provisional and contingent upon the execution of certain documents and/ occurrence of certain steps.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website

of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Dr Devendra Pant**  
**Senior Director**



# India Ratings Assigns The Andhra Pradesh Mineral Development Corporation’s Proposed NCDs ‘Provisional IND AA(CE)’/Stable

Apr 16, 2025 | Industrial Minerals

India Ratings and Research (Ind-Ra) has rated The Andhra Pradesh Mineral Development Corporation Ltd's (APMDC) proposed non-convertible debentures (NCDs) as follows:

## Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures\$^	-	-	-	INR90,000	Provisional IND AA(CE)/Stable	Assigned

\$Credit ratings with (CE) suffix indicates that the instruments are supported by an external explicit credit enhancement. Please refer to section DISCLOSURES FOR CE RATING for additional details as per the Securities and Exchange Board of India’s (SEBI) Master Circular dated 6 July 2023.

^The rating on the proposed NCDs is provisional and contingent upon the execution of certain documents and/ occurrence of certain steps. Please refer to section DISCLOSURES FOR PROVISIONAL RATING for additional details as per SEBI Master Circular.

## Analytical Approach

Ind-Ra has taken a standalone view of APMDC while assigning the rating, while factoring in support from the credit profile of the government of Andhra Pradesh(GOAP), which has extended an unconditional and irrevocable guarantee for the debt issuance. The rating is notched up on the basis of the strength of the structured payment mechanism, the creation of a debt service reserve account (DSRA) equivalent to peak two quarter of debt servicing, the likely adequate debt service coverage ratio (DSCR) and the provision of direct debit mechanism from the consolidated fund of Andhra Pradesh.

## Detailed Rationale of the Rating Action

Ind-Ra takes comfort from the irrevocable, unconditional and continuing pre-default guarantee agreement executed by the GoAP, which will remain in force and effect until the entire NCDs are fully redeemed. The guarantee is also available to replenish the DSRA, if it is utilised to meet its debt payment obligations. Based on the pre-default guarantee and enforceability of the guarantee, Ind-Ra has assigned a ‘CE’ suffix to the NCD rating and the base rating of the transaction is linked to the credit profile of GoAP.

Ind-Ra has notched up the NCD rating based on the legal and financial strengths of the transaction structure, which will be monitored by a debenture trustee and credit enhancers. The transaction rating benefits from the presence of peak two-quarter of DSRA, the structured payment mechanism under which the entire revenue of APMDC would be deposited into the revenue collection account which will be used for building up of balance in bond service account and direct debit mechanism from the consolidated fund of the state.

# List of Key Rating Drivers

## Strengths

- Supportive transaction structural features
- Structured payment mechanism
- DSRA shortfall guarantee from GoAP
- GoAP ownership and control of APMDC
- Improvement in state's economic performance
- Diversified revenue profile

## Weaknesses

- State's moderate fiscal performance
- Regulatory risk

## Detailed Description of Key Rating Drivers

**Supportive Transaction Structural Features:** Ind-Ra believes the structural features of the transaction provide sufficient comfort on debt servicing. The proposed NCDs will be secured by i) an exclusive charge over identified minor minerals being acquired by APMDC and the mining rights over such mines; ii) an exclusive charge on the revenue collection account, of which the transfer of funds, as per defined periodic intervals, to the bond servicing account (BSA) is required to be made as mentioned in the structured payment mechanism; iii) an exclusive charge on APMDC's bond servicing escrow account in favour of the debenture trustee (DT); iv) an exclusive charge on the DSRA and the funds lying therein in favour of the DT; and v) an unconditional and irrevocable guarantee from the GoAP with provisions for direct debit mechanism from the consolidated fund of the state maintained with the Reserve Bank of India (RBI) as the banker to the state government.

As per the guarantee and undertaking deed executed among the GoAP, DT and APMDC, the guarantor/GoAP has irrevocably and unconditionally authorised the DT to advise the RBI to debit such amount as mentioned in the guarantee invocation notice from the account(s) of the guarantor maintained with the RBI, subject to the availability of clear and sufficient balance in the account at the time of executing the request of DT or immediately on availability of funds in the account(s), and credit the same to the DSRA or the BSA, as required under the provisions of the guarantee deed and subject to the conditions stipulated in the irrevocable letter of authority furnished by the guarantor in favour of the RBI.

As per the structured payment mechanism detailed in the draft term sheet, APMDC's entire revenue accruing from whatsoever activity would be deposited only into the revenue collection account (RCA). The balance in RCA will be utilised as per a pre-defined waterfall mechanism, which would inter alia include transfer of funds to the BSA. APMDC will acquire the identified minor mineral mines, valuation of which will be determined based on the present value of the estimated mineral reserves available in the concerned mines. APMDC needs to maintain a minimum security/asset cover of 1.0x of the outstanding liability at any point of time.

The company is required to maintain an amount equivalent to two quarters of servicing of interest plus principal of the outstanding bonds (falling due at the end of fifth and sixth quarter from the deemed date of allotment) in the DSRA and the amount is to be deposited on a priority basis from the issue proceeds. Furthermore, as the servicing liability would progressively reduce after the sixth quarter, APMDC would be permitted to take out the excess amount from the DSRA progressively after obtaining the DT's approval, subject to no unresolved breach of any covenants.

The deed of guarantee also provides for the necessary fund infusion in the DSRA, in the event of its impairment, to the extent of a DSRA shortfall. If the shortfall in the DSRA is not replenished within the stipulated timelines, the DT would issue a guarantee invocation notice for invocation of guarantee, along with simultaneous triggering of defined recourse (direct debit mechanism) in the post invocation scenario.

**Structured Payment Mechanism:** Ind-Ra believes the structured payment mechanism, as detailed in draft term sheet, ensures availability of funds for timely debt servicing. Under the structure, APMDC would ensure that on the first working day of every quarterly servicing cycle, an amount equivalent to 30% of the requisite servicing amount would get transferred to the BSA from RCA. APMDC would further transfer an amount equivalent to 35% of the quarterly servicing

requirement both by T-60 and T-30 (i.e. 60 days and 30 days prior to the servicing days) from RCA to the BSA, so as to ensure a full build-up of servicing amount payable, at least 30 days prior to the relevant quarterly servicing date (T-30). The DT would independently monitor the adequacy of funds in the BSA on the next working day in all above cases. Any shortfall in the amount transferred shall enforce the default escrow arrangement of RCA, which shall remain in force till the entire built-up of that particular cycle has been completed. The DT would independently monitor the adequacy of funds in the BSA on T-29 day. In case of any shortfall in the built-up, it shall immediately send a written communication to the state government to provide fund support for meeting the shortfall.

In case the shortfall in BSA persists at T-5 days, such shortfall would be met by transferring the requisite funds from the DSRA to BSA to ensure the payment is made on the due date.

**DSRA Shortfall Guarantee from GoAP:** Ind-Ra believes the DSRA shortfall guarantee from the GoAP reduces the risk of delay in debt servicing. The GoAP has extended a guarantee to fund the DSRA shortfall within the specified timeline. Under the guarantee deed, on the next business day after the payment due date, if funds available in the DSRA are less than required for the immediate next two servicing dates, the DT will issue a shortfall notice to the GoAP on the next business day (T+1) to meet the shortfall within 30 calendar days from the date of issuance of the DSRA shortfall notice. Also, the DT shall ensure the default escrow mechanism on RCA remains in force till the DSRA replenishment is remedied. If the irregularity continues beyond the stipulated timeline, the DT shall invoke the government guarantee to the extent of the shortfall in the DSRA by issuing a guarantee invocation notice to the GoAP and simultaneously advise the RBI to debit such amount(s) as may be specified in the guarantee invocation notice from the account(s) of the GoAP maintained with the RBI. The government shall be required to pay the shortfall amount, forthwith, directly into the DSRA.

**GoAP Ownership and Control of APMDC:** Ind-Ra considers GoAP's control and oversight over APMDC as strongly supportive of its credit quality. APMDC is fully owned by the GoAP and is under the administrative control of Mines and Geology Department, which is its nodal department in the GoAP. The GoAP exercises a significant control over APMDC's policy design and strategy through its board of directors. All the directors are nominated by the GoAP from time to time. The statutory auditors of APMDC are appointed by the Comptroller and Auditor General of India.

APMDC has its own budget and its debt is not consolidated in GoAP's debt. Being a profitable entity, there are no regular equity infusions from the GoAP. However, the GoAP is providing non-financial support to APMDC in terms of allocating mining rights on nomination basis. The state government has extended a pre-default guarantee for the proposed NCDs. The rating factors in the ability and willingness of the state government to extend budgetary support to APMDC for its developmental activities, as and when required. Ind-Ra expects the GoAP to continue providing strategic support to APMDC.

**Improvement in State's Economic Performance:** Andhra Pradesh's (AP) economic structure is somewhat different from that of the national economy. In FY25, the state's share of the agricultural sector in the state economy was 29.6%, considerably higher than that of the national economy (14.4%). AP's gross state value-added (GSVA) grew at a higher CAGR of 5.7% during FY19-FY25 than the national economic growth (CAGR: 5.1%), considering Hyderabad, which is a centre of industrial activity, became a part of Telangana following the reorganisation of the erstwhile state of AP. The state's GSVA growth increased to 8.4% yoy in FY25 (FY24: 4.8% yoy), led by the robust growth in the agriculture and services sectors.

**Diversified Revenue Profile:** Ind-Ra expects APMDC's revenue profile to be diversified in medium-to-long term as it proposes to start commercial operations at 436 designated minor mineral mines from FY27. Furthermore, APMDC proposes to start exploration of beach sand minerals by FY29. Presently, APMDC is engaged in mining of Baryte in Mangampet, Andhra Pradesh, and coal in Suliari Madhya Pradesh. APMDC reported a total revenue of INR23.43 billion in 9MFY25 (FY24: INR39.72 billion; FY23: INR22.02 billion).

**State's Moderate Fiscal Performance:** As per the FY25 revised estimate (RE), the state's revenue deficit came in higher at INR483.1 billion (3% of gross state domestic product (GSDP)) than budget estimate (BE) of INR347.4 billion (2.1% of GSDP). This was primarily due to lower-than-budgeted revenue receipts of INR251.4 billion in FY25(RE). Despite the lower-than-budgeted growth in AP's revenue expenditure of 5.6% yoy (budgeted growth: 11.0%), a minimal growth of 1.3%

yoy in revenue receipts led to the higher revenue deficit in FY25(RE). The reduced capex compared with FY25(BE) and better-than-projected GSDP growth for FY25 could not compensate for the gap in revenue receipts versus FY25(BE), resulting in a higher-than-budgeted fiscal deficit of 4.6% in FY25(RE) (FY25(BE): 4.2% of GSDP).

For FY26, the state government has estimated a revenue deficit of 1.8% and a fiscal deficit of 4.4% of the GSDP. The debt/GSDP is projected to be at 35.5% for FY26 (FY25(RE): 35.2%).

**Regulatory Risk:** Ind-Ra views timely compliance and approval of statutory clearances such as environmental clearance, approved mining plan and consent to operate from Pollution Control Board as critical. Any non-compliance or delay in statutory clearances will affect APMDC’s long-term sustainability and future cashflows.

## Liquidity

**Adequate:** APMDC’s liquidity is supported by its accumulated cash and bank balances, and operating cash flows. The cash and bank balance stood at INR2.03 billion at FYE25 (Provisional), against INR2.89 billion in FY24. Ind-Ra expects the liquidity to remain supported by receipt of advance payments against the sale of minerals, operating revenue and strong EBITDA. The total debt servicing obligations on the outstanding bank loan and proposed NCDs based on the prevailing interest rate are estimated to be at INR9.66 billion for FY26 and INR19.23 billion for FY27. Ind-Ra expects APMDC to service this debt from a combination of EBITDA and government support. The liquidity is also supported by the DSRA.

## Rating Sensitivities

**Positive:** An improvement in the credit profile of the GoAP will be positive for the rating.

**Negative:** The following developments could, individually or collectively, lead to a negative rating action:

- deterioration in GoAP’s credit profile,
- deterioration in APMDC’s liquidity position resulting in continuous dipping into the DSRA,
- a non-maintenance of the minimum asset/security coverage ratio as per the terms of the NCDs on a sustained basis.

## Disclosures for CE Rating

### 1) UNSUPPORTED RATING

Ind-Ra has assigned an unsupported rating of ‘IND A’/Stable to APMDC.

The unsupported rating is arrived at without factoring in the explicit CE. It helps in understanding the extent of the CE factored into the instrument rating.

### ANALYTICAL APPROACH

Ind-Ra continues to factor in the strong legal and operational linkages between APMDC and the GoAP.

### DETAILED RATIONALE OF THE RATING ACTION

Ind-Ra has classified APMDC as a dependent public sector entity under its Rating of Public Sector Entities criteria. The unsupported rating considers the legal status of the entity, entity’s strategic importance and the significant control exercised by the GoAP over its policy objective.

### LIST OF KEY RATING DRIVERS

#### Strengths

- GoAP ownership and control of APMDC
- Improvement in state’s economic performance

- Diversified revenue profile

## Weaknesses

- State's moderate fiscal performance
- Regulatory risk

## Detailed Description of Key Rating Drivers

The detailed description of key rating drivers and liquidity profile for the unsupported rating are the same as that of the NCDs.

## Rating Sensitivities

**Positive:** An improvement in the credit profile of the GoAP will be positive for the ratings.

**Negative:** The following developments could, individually or collectively, lead to a negative rating action:

- a deterioration in GoAP's credit profile,
- deterioration in APMDC's liquidity position,
- weakening of linkages with the GoAP,
- weakening of standalone financial profile.

## 2) INSTRUMENT COVENANTS

Refer to Annexure I

## 3) ADEQUACY OF CE STRUCTURE:

**DSRA Shortfall Guarantee from GoAP:** The GoAP has extended a guarantee to fund the DSRA shortfall within the specified timeline. Under the guarantee deed, on the next business day after the payment due date, if funds available in the DSRA are less than required for the immediate next two servicing dates, the DT will issue a shortfall notice to the GoAP on the next business day (T+1) to meet the shortfall within 30 calendar days from the date of issuance of the DSRA shortfall notice. Also, DT shall ensure that the default escrow mechanism on the RCA remains in force till the DSRA replenishment is remedied. If the irregularity continues beyond the stipulated timeline, the DT shall invoke the government guarantee to the extent of the shortfall in the DSRA by issuing a guarantee invocation notice to the GoAP and simultaneously advise the RBI to debit, such amount(s) as may be specified in the guarantee invocation notice from the account(s) of the GoAP maintained with the RBI. The government shall be required to pay the shortfall amount, forthwith, directly into the DSRA.

**State Government Guarantee:** The guarantee is unconditional and irrevocable and is a continuing obligation. The guarantee will remain in force and effect until the NCDs are fully redeemed. Ind-Ra, in its analysis, has stressed the GoAP's credit profile by considering a sizeable portion of the guarantee to devolve. As per Ind-Ra's analysis, the guarantor, even in the stress scenario, is likely to meet all the guaranteed debt obligations.

## Disclosures for Provisional Rating

### 1) RATING THAT WOULD HAVE BEEN ASSIGNED IN ABSENCE OF THE PENDING STEPS/ DOCUMENTATION

Ind-Ra would have assigned 'IND A'/Stable in the absence of the pending steps/documentation.

### 2) PENDING STEPS/ DOCUMENTATION CONSIDERED WHILE ASSIGNING PROVISIONAL RATING AND RISKS ASSOCIATED WITH THE PROVISIONAL NATURE OF THE CREDIT RATING:

Sr.no.	Pending Critical Documentation while Assigning Provisional Rating*	Risks Associated with Provisional Nature of Credit Rating in the Absence of Completed Documentation or Change in Documentation

1	Final term sheet	In the absence of executed documents or the final executed documents deviating from the draft documents submitted at the time of provisional rating, the transaction structure would be weak.
2	Deed of hypothecation	
3	Debenture trust deed	
4	Accounts agreement	
5	Creation of peak DSRA	Non-creation of DSRA would increase the vulnerability to cashflow mismatches and the risk of timely debt servicing.
6	RBI acknowledged copy of direct debit mandate	In the absence of RBI acknowledgement of direct debit mandate, the transaction structure would be weak.

\*Additionally, any other relevant documents executed for the transaction should be provided to the agency.

### 3) VALIDITY PERIOD

The final rating, upon the receipt of executed documents consistent with the draft documents, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on APMDC, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

## About the Company

APMDC is a state-owned public sector entity incorporated on 24 February 1961 and registered under the Companies Act, 1956. It is a wholly owned undertaking of the GoAP. APMDC has an authorised share capital of INR100 million as on 31 March 2025. It is primarily engaged in the excavation of mineral resources, including exploration and mineral beneficiation, development of the surroundings and protection of the ecology system around the mines.

## Key Financial Indicators

APMDC			
Particulars	9MFY25 (Audited)	FY24 (Audited)	FY23 (Audited)
Total Income (INR million)	23,430.60	39,716.10	22,023.00
EBIDTA (INR million)	9,106.50	17,259.80	9,380.90
EBIDTA margin(%)	38.87	43.46	42.60
Net debt/EBIDTA (x)	0.19	0.25	0.21
Interest coverage ratio (x)	16.69	22.48	10.97
Source: APMDC, Ind-Ra			

Government of Andhra Pradesh		
Particulars (as % of GSDP)	FY26(BE)	FY25(RE)
Revenue balance	-1.8	-3.0
Fiscal balance	-4.4	-4.6
Total debt	35.5	35.2
Source: GoAP FY26 Budget, Ind-Ra		

## Status of Non-Cooperation with previous rating agency

Not applicable

## Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating
Proposed non-convertible debentures	Long-term	INR90,000	Provisional IND AA(CE)/Stable
Unsupported rating	Long-term	-	IND A/Stable

## Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Moderate

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

## Annexure

### For Proposed NCDs

- a. Unconditional and irrevocable guarantee from the GoAP for the timely servicing of interest and principal in respect of bonds, including defined recourse in the post invocation scenario.
- b. Maintenance of the DSRA to the extent of fully covering the peak servicing requirements for two quarters as liquidity support.
- c. Stipulation for invocation of government guarantee for impairment of DSRA if not remedied within stipulated timelines and defined recourse in the post invocation scenario.
- d. Stipulation for invocation of government guarantee in case of a default, if settlement of entire liabilities not effected within stipulated timelines and defined recourse in the post invocation scenario.
- e. Maintenance of minimum asset/security cover of 1.0x.

## Contact

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### Media Relation

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Marketing Manager  
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**About India Ratings and Research:** India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.



Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit [www.indiaratings.co.in](http://www.indiaratings.co.in).

## **Solicitation Disclosures**

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## **APPLICABLE CRITERIA AND POLICIES**

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### **Local and State Government Rating Criteria**

### **Evaluating Corporate Governance**

### **Rating of Public Sector Entities**

### **Policy on Provisional Ratings**

### **Policy for Credit Enhanced (CE) Ratings**

### **The Rating Process**

## **DISCLAIMER**

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The Andhra Pradesh Mineral Development  
Corporation Limited

## **MINES**

### **BARYTES MINES**

Mangampet Barytes Mining & Pulverising Unit  
Mangampet, YSR Kadapa District.

### **CLAY MINES**

Sri Venkateswara Clay Mines,  
Dwarakatirumala,  
West Godavari District.

### **BLACK GRANITE MINES**

Warangal District  
Choutapally  
Nalgonda District  
Venkataramapuram.

### **LIMESTONE MINES**

Piduguralla  
Guntur District  
Devapur  
Adilabad District

### **SEMI-PRECIOUS STONES PROJECT**

Visakhapatnam.



The Andhra Pradesh Mineral Development  
Corporation Limited

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## **BOARD OF DIRECTORS**

### **CHAIRMAN:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1) Sri S.S. Rawat, IAS.,            | (from 07-01-2015 to 14-10-2015)    |
| 2) Sri M. Girija Shankar, IAS.,     | (from 14-10-2015 to 11-09-2016)    |
| 3) Sri B. Sreedhar, IAS.,           | (from 12-09-2016 to 08-02-2019)    |
| 4) Sri I. Srinivas Srinaresh, IAS., | (from 08-02-2019 to 14-05-2019)    |
| 5) Sri Anil Chandra Punetha, IAS.,  | (from 15-05-2019 to 31-05-2019)    |
| 6) Sri K. Ramgopal, IAS.,           | (from 19-08-2019 to 01-05-2020)    |
| 7) Sri Gopal Krishna Dwivedi, IAS., | (from 01-05-2020 to 01-08-2021)    |
| 8) Smt G. Shameem Aslam             | (from 02-08-2021 to Till the Date) |

### **VICE-CHAIRMAN & MANAGING DIRECTOR:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1) Sri M. Girija Shankar, IAS.,     | (from 08-01-2015 to 23-08-2015)    |
| 2) Sri Ch. Venkaiah Chowdary, IRS., | (from 24-08-2015 to 26.06.2019)    |
| 3) Sri Y. Bhanu Prakash, IAS.,      | (from 27-06-2019 to 13-09-2019)    |
| 4) Sri M. Madhusudhan Reddy, IRAS., | (from 16-09-2019 to 20-05-2020)    |
| 5) Sri V.G. Venkata Reddy           | (from 20-05-2020 to 01-06-2020)    |
| 6) Sri Hari Narayanan. M, IAS.,     | (from 02-06-2020 to 01-02-2021)    |
| 7) Sri V.G.Venkata Reddy            | (from 04-02-2021 to Till the Date) |

### **DIRECTORS:**

- |                             |                                 |
|-----------------------------|---------------------------------|
| 1) Sri B.R.V. Susheel Kumar | (from 22-03-2010 to 27-08-2015) |
| 2) Sri J C Sharma           | (from 21-10-2014 to 30-04-2017) |
| 3) Sri Ajeya Kallam         | (from 21-10-2014 to 14-10-2015) |
| 4) Sri Aravind Kumar        | (from 14-05-2015 to 14-10-2015) |
| 5) Sri D.S. Lokesh Kumar    | (from 14-05-2015 to 14-10-2015) |

6) Sri V Saida	(from 14-05-2015 to 14-10-2015)
7) Smt Hema Munivenkatappa	(from 14-10-2015 to 08-09-2017)
8) Sri V. Radha Krishna	(from 14-10-2015 to 31-07-2017)
9) Sri Karikal Valaven	(from 30-04-2017 to 16-07-2017)
10) Sri Durga Prasad Sahu	(from 02-08-2017 to 30-08-2017)
11) Dr. Manmohan Singh	(from 16-07-2017 to 31-10-2019)
12) Dr. K V V Satyanarayana	(from 08-09-2017 Till the date)
13) Smt D. Rama Devi	(from 30-08-2017 to 28-08-2020)
14) Sri I. Srinivas Srinaresh	(from 08-02-2019 to 20-07-2019)
15) Sri K. Ramgopal	(from 20-07-2019 to 03-03-2020)
16) Smt V. Usharani	(from 31-10-2019 to Till the date)
17) Sri V.G. Venkata Reddy	(from 03-03-2020 to Till the date)
18) Sri I. Mohan Rao	(from 29-08-2020 to Till the date)
19) Smt Mala Jayasudha	(from 07-10-2021 to Till the date)
20) Sri C. Harish Reddy	(from 07-10-2021 to Till the date)
21) Smt Marty Lakshmi	(from 07-10-2021 to Till the date)
22) Smt G. Sujatha	(from 07-10-2021 to Till the date)
23) Sri M.Balamuni Reddy	(from 07-10-2021 to Till the date)
24) Smt ES.Salma	(from 07-10-2021 to Till the date)
25) Sri Lingareddy Veera Prathap Reddy	(from 07-10-2021 to Till the date)
26) Sri Bandireddy Bapireddy	(from 07-10-2021 to Till the date)
27) Sri Bathula Rama Rao	(from 07-10-2021 to Till the date)
28) Smt Chilluru Manjusha	(from 07-10-2021 to Till the date)
29) Sri K V Ramana Reddy	(from 07-10-2021 to Till the date)

**COMPANY SECRETARY / GENERAL MANAGER (COMPANY LAW AFFAIRS):**

1) Sri T. Subba Rao  
Company Secretary Retainership

2) Smt M. Prameela Rani  
B.Com., LLB., ICSI  
General Manager (CLA) (from 24-04-2016 to 30-11-2019)

3) Sri R.Manikiran  
Company Secretary on Retainership

**EXECUTIVE DIRECTOR:**

1) Sri H.D. Nagaraja  
Executive Director (from 31-07-2010 to 30-09-2020)

2) Sri R.Kedarnath Reddy  
Executive Director (from 07-10-2021 to Till the date)

**GENERAL MANAGER (F & A):**

1) Sri B. Srinivasa Murthy,  
B.Com., F.C.A., (from 10-03-2008 to 30-04-2021)

2) Sri A.Nageswara Reddy (from 30-12-2021 to Till the Date)

**AUDITORS:**

M/s. Venugopal & Chenoy,  
Chartered Accountants,  
Hyderabad.

**BANKERS:**

- 1) Andhra Bank
- 2) Syndicate Bank
- 3) State Bank of India
- 4) State Bank of Hyderabad
- 5) Indian Overseas Bank
- 6) Union Bank
- 7) ICICI Bank
- 8) Bank of Maharashtra.
- 9) Andhra Pradesh Grameena Bank

**REGISTERED & CORPORATE OFFICE:**

1) D.No.6-1-67/19/1 & 67/20, Flat No.302,  
Super Classic Apartment, Saifabad,  
Lakdikapool,Hyderabad,  
Telangana – 500004, India.

2) Door No.294/1D,  
100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137,  
Andhra Pradesh.





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LTD**  
**(A State Government of A.P. Undertaking)**  
Reg. Office: D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic  
Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Corp off: No.294/1D, 100 Feet Kanur to Enikepadu Road, Vijayawada – 521 137,  
A.P  
Tel: 0866 2429999, Fax: +91 40-23393152

### **NOTICE**

#### **To THE SHARE HOLDERS**

Notice is hereby given that 55<sup>th</sup> Adjourned Annual General Meeting of the A.P. Mineral Development Corporation will be held on **03rd January, 2022 at 12.00 Noon** at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Kirhsna District, Andhra Pradesh-521002 to transact the following business:

#### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the audited financial statements (Consolidated & Standalone) of the Company for the year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General of India.

By order of the Board of Directors

Sd/-

(V.G.Venkata Reddy)

Vice-Chairman & Managing Director (FAC)

Date: 31.12.2021

Place: Vijayawada

#### **Note:**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and that the proxy need not be a member of the Company.
- 2) Consent of the Shareholders to convene the 55th Adjourned Annual General Meeting of the Company with a shorter notice required under the provisions of the Sec.101(1) of the Companies Act,2013 is being obtained.

**FORM No. MGT – 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U13209TG1961SGC000871  
Name of the Company : The Andhra Pradesh Mineral Development Corporation Ltd.  
Registered Office : D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Name of the Member:  
Registered Address:  
E-Mail Id:  
Folio No / Client Id:  
DP ID:

I /We, being the member (s) of \_\_\_\_\_ shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature:

2. Name of the Member:

Registered Address:

E-mail Id:

Signature:

3. Name of the Member:

Registered Address:

E-mail Id:

Signature:

- 2) To consider and adopt the Audited Financial Statements (Consolidated and Standalone) for the financial year ended 31<sup>st</sup> March, 2016 of the Company together with the Board's Report, Auditor's Reports thereon and comments of the Comptroller and Auditor General of India.

As my/our proxy to attend and vote (on apoll) for me/us and on my/our behalf at the 55<sup>th</sup> Adjourned Annual General Meeting of the Company, to held on 03<sup>rd</sup> January 2022, Monday, at 12.00 noon at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Kirhsna District, Andhra Pradesh-521002 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2015 of the Company together with the Board's Report, Auditor's Reports thereon and comments of the Comptroller and Auditor General of India.

Signed this \_\_\_\_\_ day of \_\_\_\_2020

Signature of the Shareholder: \_\_\_\_\_

Signature of the Proxy holder: \_\_\_\_\_

Affix Revenue Stamp
---------------------------

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## **The Andhra Pradesh Mineral Development Corporation Limited**

(A State Government of A.P. Undertaking)

Door No.204/1D, 100 Feet Tadiyandipati to Chintapudi Road, Kakinada - Vijayawada - 521137

Andhra Pradesh. Tel: 0846 - 2429999 Fax: 0846 - 2429977

E-Mail: info@apmde.ap.gov.in . Website: www.apmde.ap.gov.in

### **DIRECTOR'S REPORT**

**To,**  
**The Members,**  
**The Andhra Pradesh Mineral Development Corporation Limited.**

Your Director have pleasure in presenting their 55<sup>th</sup> Annual Report on the business and operation of the company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2016

#### **FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial results for the year ended 31<sup>st</sup> March, 2016 and the corresponding figures for the last year are as under:-

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Profit Before interest, Depreciation & Tax	402,59,06,986	1,74,87,11,938
Less: Finance Cost	56,95,891	46,13,547
Less: Depreciation & Amortization Expense	2,64,95,542	2,93,15,493
Profit before Tax	3,73,64,70,015	1,71,47,82,898
Provision for Tax		
Income Tax (JV)	1,56,76,22,320	57,71,98,652
Deferred Tax	(6,18,47,063)	(35,66,967)
Profit after Tax	2,23,06,94,758	1,14,11,51,213
Less: Proposed Dividend & Tax thereon	1,57,65,500	1,89,17,673
Balance carried to Balance Sheet	1,98,77,13,543	1,12,22,33,540

#### **RESERVE & SURPLUS:**

Out of the total profit of Rs. 2,23,06,94,758/- for the financial year Rs. 22,30,69,475/- amount is proposed to be transferred to the General Reserve

#### **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company done during the year.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

**DIVIDEND:**

To strengthen the financial position of the Company and to augment working capital your directors regret to declare any dividend. **NIL**

**MEETINGS:**

Four meetings of the Board of Directors were held during the financial year.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As required pursuant to section 135(1) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Corporate Social Responsibilities (CSR) Activities as **(ANNEXURE - V)**.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:****I) JOINT VENTURE COMPANY:****(a) M/S. ANDHRA PHOSPHATE PRIVATE LIMITED**

During the year 2015-16, the company has achieved a turnover of Rs.16.01 Lakhs against the previous year turnover of Rs.65.26 lakhs. The Company registered a Gross loss of Rs.19.66 Lakhs against the previous year's Gross loss of Rs.19.70 Lakhs before taxes and the net loss is Rs.17.84 Lakhs for the year as against the previous year net loss of Rs.18.50 Lakhs.

**II) SUBSIDIARY COMPANIES:****(a) M/s. DAMODHARA MINERALS PRIVATE LIMITED (ANNEXURE - I)**

During the year ending 31<sup>st</sup> March, 2016, the Company has not carried out any Mining activities due to unfavourable conditions existing into market. As a result, the company recorded a net loss of Rs.74,433/- for the year 2015-16 as against Rs.63,550/- for the year 2014-15

The accumulated loss carried to the Balance Sheet up to 31<sup>st</sup> March, 2016 is Rs. 8,75,827.

**(b) M/s. ONGOLE IRON ORE COMPANY PRIVATE LIMITED (ANNEXURE - II)**

During the year the company has not commenced any business operations. The company is in the process of obtaining necessary pre-mining clearances for the project. During the year the company recorded a net loss of Rs. 6,18,647/- for the year 2015-16 as against net loss of Rs.8,71,540/- for the year 2014-15.

The accumulated loss carried to the Balance Sheet up to 31<sup>st</sup> March, 2016 is Rs. 28,12,696/-.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**CHANGES IN SHARES CAPITAL:**

The Company has not issued any Equity Shares during the year under review.

**STATUTORY AUDITORS:**

**venu GOPAL CHENoy (0046718)** Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held were appointed for a period of 1 year until the conclusion of 55<sup>th</sup> Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuring annual general meeting to the conclusion of next annual general meeting.

**AUDITOR'S REPORT:**

The Auditor's Report does not contain any qualification. Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any future comments.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report as **(ANNEXURE - IV)**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

**Details of Loans:**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Companies Act, 2013, is (AS PER SITUATION)

**DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related

party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis, (ANNEXURE – III).

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not received any complain during the year 2015-16.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earning and outgo are as follows:



#### Conservation of energy

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

#### Technology absorption

(i)	the effort made towards technology absorption	Nil
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	Nil
(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. Nil.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:

The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors had prepared the annual accounts on a going concern basis; and

The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

**For and on behalf of the Board of Directors**

  
(I. Mohan Rao).

Director

**The Andhra Pradesh Mineral  
Development Corporation Limited**

  
(V.G. Venkata Reddy)

Vice Chairman & Managing Director (FAC)

**Place: Vijayawada**

**Date : 03.01.2022**

**ANNEXURE - I**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

Name of the Subsidiary Company		M/s. Damodhara Minerals Pvt. Ltd.
1)	The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2016
2)	a) paid up Capital of the Subsidiary Company	Rs. 3,71,000/-
	b) No. Of shares held by APMDC with its nominees in the subsidiary	18,921 Equity Shares of Rs. 10/- each fully paid up.
	c) Extent of interest of holding Company at the end of Financial year	51%
3)	The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
	a) Not dealt with in the holding Company's accounts	
	i) For the Financial year of the subsidiary Company	Nil
	ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
	b) Dealt with in the holding company's accounts	
	i) For the Financial year of subsidiary Company	Nil
	ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary.	Nil

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(I. Mohan Rao)

**Director**

  
(V.G. Venkata Reddy)

**Vice Chairman & Managing Director (FAC)**

**ANNEXURE - II**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

Name of the Subsidiary Company	M/s. Ongole Iron Ore Company Pvt. Ltd.
1. The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2016
2. a) paid up Capital of the Subsidiary Company	Rs. 11,00,000/-
b) No. Of shares held by APMDC with its nominees in the subsidiary	56,100 Shares of Rs. 10/- each fully paid up
c) Extent of interest of holding Company at the end of Financial year	51%
3. The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
a) Not dealt with in the holding Company's accounts	
i) For the Financial year of the subsidiary Company	Nil
ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
b) Dealt with in the holding company's accounts	
i) For the Financial year of subsidiary Company	Nil
ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary.	Nil

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(L.Mohan Rao)**

**Director**

  
**(V.G.Venkata Reddy)**

**Vice Chairman & Managing Director (FAC)**

**Annexure - III**

**ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**(CIN: U13209TG1961SGC000871)**  
**FORM NO. AOC -2**

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/ arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A

1) Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts / arrangements / transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board	N.A
f)	Amount paid as advances, if any	N.A

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(I. Mohan Rao)**  
**Director**

  
**(V.G. Venkata Reddy)**  
**Vice Chairman & Managing Director (FAC)**

**ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**[CIN: U13209TG1961SGC000871]**

**Form MGT-9**

**Extract of Annual Return as at the financial year ended on**  
**31.03.2016**

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(i) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U13209TG1961SGC000871
2. Registration Date	24.02.1961
3. Name of the Company	ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED
4. Category/Sub-category of the Company	Government Private Company Limited by Shares
5. Address of the Registered office & contact details	D.No.6-1-67/19/1 & 67/20, Flat No 302 Super Classic Apartments, Safabad, Lakdikapool Hyderabad Hyderabad TG 500004 IN
6. Whether listed company (Yes / No)	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Mining	0899	100%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	M/s. Damodhara Minerals Pvt. Ltd.	U14219TG120000PTC033387	Subsidiary	51%	
2.	M/s. Ongole Iron Ore Company Pvt Ltd.	U13100TG2009SGC063631	Subsidiary	51%	

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

(i) Category-wise Share Holding – Total Number of Shares 100%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(i) Indian									
a) Individual/HUF	-	3	3		-	3	3		0
b) Central Govt	-								

c) State Govt (s)	-	63.059	6,30,59,000	99.99	-	63.059	6,30,59,000	99.99	0
d) Bodies Corp.	-								
e) Banks / FI									
f) Any other...	-								
<b>Sub-total (A) (1)</b>	-	63.062	6,30,62,000	100	-	63.062	6,30,62,000	100	0
<b>(2) Foreign</b>									
(a) NRIs Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/ FI									
(e) Any other...									
<b>Sub-Total (A) (2) :-</b>									
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	63.062	6,30,62,000	100	-	63.062	6,30,62,000	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									



a) Mutual Funds	-								
b) Banks / FI	-								
c) Central Govt	-								
d) State Govt.(s)	-								
e) Venture Capital Funds	-								
f) Insurance Companies									
g) FIs	-								
h) Foreign Venture Capital Funds	-								
i) Others (specify)	-								
<b>Sub-total (B)(1):-</b>									

## 2. Non-Institutions

a) Bodies Corp.	-								
i) Indian	-								
ii) Overseas	-								
b) Individuals	-								
i) Individual shareholders holding nominal share capital upto Rs. 1	-								

Lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-								
c) Others (specify)	-								
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)-(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	63,062	6,30,62.00	100	-	63,062	6,30,62,00	100	0
			0			2	0		

**(ii) Share holding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered	

			shares			to total shares
1	Sir B. Sreedhar, IAS Director of Mines & Geology	1		1		Nil
2	Sri Ch. Venkaiah Chowdary Vice-Chairman & Managing Director	1				Nil
3	Sri A. Janardhana Babu Governor of Andhra Pradesh Represented by Asst. Secretary to Govt., Industries & Commerce Dept.,	63,059	99.999	63,059	99.999	Nil
3	Sri T. G. Ganapathi Section Officer, Industries & Commerce Department	1		1		Nil

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

There is no change in the promoter's shareholding during the period under review

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): At the end of the year		NIL	

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Governor of Andhra Pradesh	63,059	99.999		
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			63,059	99.999
2					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
3					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: specifying the reasons for increase / decrease (e.g. allotment /				

	transfer / bonus/ sweat equity etc.]			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			

## INDEBTEDNESS

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
+ Addition	-	-	-	-
+ Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-

(ii) Interest accrued but not due	
<b>Total (i+ii+iii)</b>	

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary	Sri. Ch. Venkataiah Chowdary	Rs. 10,92,881/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Vice Chairman & Managing Director	
	(b) Value of prerequisites u/s 17 (2) of Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commissions		
	as % of profits		
	others, specify		
5	Others please specify		
	Total (A)		
	Value as per 1961 Act		

### B. Remuneration to other Directors: NIL

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors		

1	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (1)			
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, Please specify			
	Total (2)			
	Total (B)=(1+2)			
	Total Managerial Remuneration			

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD – NIL**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				

	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:- NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
(I. Mohan Rao)  
Director

  
(V.G. Venkata Reddy)  
Vice Chairman & Managing Director (FAC)

Place: Vijayawada

Date: 03.01.2022



ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

(CIN: U13209TG1961SGC000871)

**TO THE DIRECTORS' REPORT  
ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITIES (CSR) ACTIVITIES**

[Pursuant to clause (a) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

APMDC ("the Company") has developed its CSR policy, henceforth called "APMDC CSR Policy", in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India.

The objectives of the APMDC CSR Policy are to:

1. To define CSR Projects or Programmes which APMDC plans to undertake and which fall within the preview of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area.
3. Outline Governance mechanism for the CSR activities taken up by APMDC.
4. Mode of implementation of such CSR Projects and Programmes.
5. Monitoring and reporting mechanism of such CSR Projects and Programmes.

APMDC CSR policy is aimed at working along with the community through its focus on:

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kesh set up by the central government for the promotion of sanitation and making available safe drinking water;

- i. Promoting preventive health care
  - a. Provision for operation and treatment for differently disable persons.
  - b. Enabling access to, or improving the delivery of, public health systems

- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- iv. Enduring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund setup by the central government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veteran, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government.
- x. Rural development projects
- xi. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.

**2. Average net profit of the company for last three years : Rs. 3,62,48,77,029/-**

**3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.7,24,96,441/-**

**4. Details of CSR spent during the year.**

(a) Total amount spent on CSR for the financial year 2015-16: Rs.1,11,13,338/-

(b) Total amount to be spent on CSR for the financial year 2015-16: Rs.6,13,83,103/-

(c) Manner in which the amount spent during the financial year 2015-16:

- I. Primary Health Centre Maintenance Expenses
- II. School Maintenance Expenses
- III. RO Plants Maintenance Expenses
- IV. Rural Expenses

**5. In case the Company has failed to spend the two percent:**

During the financial year ended March 31<sup>st</sup>, 2016, the company was required to spend Rs. 7,21,96,441/- towards CSR activities but the Company has spent Rs. 1,11,13,338/- which is lesser than the required amount.

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(I. Mohan Rao)

**Director**

  
(V.G. Venkata Reddy)

**Vice Chairman & Managing Director (FAC)**

**Place: Vijayawada**

**Date: 03.01.2022**



महालेखाकार (लेखापरीक्षा) का कार्यालय  
आंध्र प्रदेश  
Office of the Accountant General (Audit)  
Andhra Pradesh

Lr. No. AG(Audit)/AP/ISC(PSUs)/AA/APMDC/L/2021-22/ 158 Date: 30.12.2021

To  
Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
# D.NO.294, 1/D, 100 Feet, Kunnur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137

Sir,

**Sub: Comments on the Standalone and Consolidated Annual Accounts of  
Andhra Pradesh Mineral Development Corporation Limited for the year  
ended 31 March 2016.**

I am to forward herewith 'NIL' comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 for Standalone and Consolidated financial statements of your Company for the year ended 31 March 2016 for necessary action.

1. The date of placing of 'NIL' comments along with financial statements and Auditors' Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting furnished.

2. The date of forwarding the annual report for year ended 31 March 2016 and financial statements of the Company together with the Auditors Report and 'NIL' comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature may also be intimated.

3. Five copies of the annual report for the year ended 31 March 2016 may be furnished in due course.

Yours faithfully,

Deputy Accountant General/AMG-II

Encl: As Above

**Annexure I**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL  
DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED  
31 MARCH 2016**

The preparation of financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.06.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

*For and on behalf of the  
Comptroller and Auditor General of India*

Place: Vijayawada  
Date: 30-12-2021

  
(HEMA MUNIVENKATAPPA)  
Accountant General/Audit

## Annexure-VI

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 in accordance with financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.06.2021.

I, on behalf of the Comptroller & Auditor General of India, have conducted a supplementary audit of the financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of Ongole Iron Ore Mining (subsidiary) for the year ended on that date. Further, section 139 (5) and 143 (6)(a) of the Act are not applicable to subsidiary, Jointly Controlled Entities and Associate mentioned in Annexure A, for appointment of their Statutory Auditor and for conduct of supplementary Audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.

This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143(6)(b) of the Act.

*For and on behalf of the  
Comptroller and Auditor General of India*

(HEMA MUNIVENKATAPPA)  
Accountant General /Audit

Place: Vijayawada

Date: 30.12.2021



महालेखाकार (लेखापरीक्षा) का कार्यालय  
आंध्र प्रदेश  
Office of the Accountant General (Audit)  
Andhra Pradesh

Lr. No. AG(Audit)/AP/TSC(PSUs)/AA/APMDCL/2021-22/159 Date: 30-12-2021

To  
Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
# D.NO.294, L/D, 100 Feet, Kannur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137

Sir,

Sub: Standalone Annual Accounts of - Andhra Pradesh Mineral Development Corporation Limited  
for the year ended 31 March 2016-Reg.

Ref: 1. Your letter No. Ref No APMDC/VJY/H&A, Annual Accounts/2015-16/21-22 13/18.11.2021

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The following Provisional comments on the standalone financial statements issued to the company are not pursued on the assurance given by the Management. These may be kept in view while preparation of next year accounts.

**Comments on Disclosure**

**Notes Forming Part of the Financial Statements (Balance Sheet)**

**Share Capital (Note No.1)**

1. The Company did not disclose the fact that original share certificates pertaining to its paid-up share capital are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.

**Non-Current Investment (Note No. 5):**

2. The Company did not disclose the fact that original share certificates pertaining to its investment in the shares of subsidiary companies and for joint venture companies valuing ₹4.40 crore are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.
3. From a review of the investments made by the Company in subsidiary and/or joint venture companies by way of subscription to their equity shares, it was observed that the name of the Company was mentioned as "Andhra Pradesh Mineral Development Corporation Limited" instead of as "The Andhra Pradesh Mineral Development Corporation Limited" in the share certificates of 11 investments (Annexure-I) valued ₹5.01 crores.

**Significant Accounting Policies and Notes forming part of the accounts (Note No. 21)**

**Notes Forming Part of Accounts (Note No. 2)**

**I) Contingent Liability Not Provided for**

4. The above does not include an amount of ₹17.29 crore being the penalty amount levied (September-December 2007) by the Dy. Transport Commissioner, Kadapa for transporting overloads in excess of the capacity of the goods vehicles in violation of the provisions of the Motor Vehicle Act, 1988.

Yours faithfully,

Deputy Accountant General/AMG-II



# ANNEXURE-B

S. No.	Name of the Joint Venture	No. of shares	Face Value of the Shares (in ₹)	Distinctive No.	Remarks
1	M/s Andhra Phosphate (P) Ltd.	1110	1000	1 & 3 to 101 & 201 to 310 & 421 to 1320	Instead of the name of the Company, the shares with distinctive numbers 1 was issued in the name of the nominee of the Company.
2	M/s Ongole Iron Ore Mining Co. Pvt. Ltd.	56,100	10	0053901 to 0110000	
3	M/s Aswani Mineral Development (P) Ltd.	65000	10	7401 to 71000 & 10001 to 72400	Shares with distinctive No. 7401 to 10000 issued in the name of the nominee of the Company
4	M/s Margasree Granites (P) Ltd.	130000	10	10001 to 140000	Name of the company is indicated as "M/s Margasree Granites (P) Ltd." instead of as "M/s Margasree Granites (P) Ltd." in Note No. 5 to the 'Notes forming part of the Balance Sheet'.
5	M/s A.P. Granites (Midwest) P Ltd.	1100000	10	1500001 to 2050000 & 7225001 to 7500000 & 9725001 to 10000000	
6	M/s Alliance A.P. Black Galaxy Granites (P) Ltd.	1100000	10	4450001 to 5000000 & 9822101 to 10000000 & 8010001 to 8382100	In share certificates bearing numbers 4450001 to 5000000, the name was not written correctly.
7	M/s Pallava Red Granites (P) Ltd.	110000	100	186011 to 209000 & 525441 to 575787 & 653338 to 700000	



8	M/s Andhra Baryte Corporation (P) Ltd.	852500	10	2670001 to 3000000 & 7227501 to 7750000	
9	M/s Trumex Barite Private Ltd.	450000	10	3640910 to 4090909	
10	M/s Andhra Pradesh Trihal Mining (P) Ltd.	28600	10	0001 to 28600	
11	M/s A.P. Coastal Sands and Metal Private Limited	13000	10	15001 to 28000	



महालेखाकार (लेखापरीक्षा) का कार्यालय  
आंध्र प्रदेश  
Office of the Accountant General (Audit)  
Andhra Pradesh

Lr. No. AG(Audit)/AP/TSC(PSUs)/AA/APMDCL/2021-22/160 Date: 30.12.2021

To  
Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
# D.NO.294, 1/D, 100 Feet, Kunnur to Nidamannur Road,  
Krishna District, Andhra Pradesh - 521 137

Sir,

Sub: Consolidated Annual Accounts of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31<sup>st</sup> March 2016-Reg.

Ref: Your Lr./Ref.No.APMDCL/VJY/F&A/Annual Accounts/2015-16S/21-22 Dt:18.11.2021  
\*\*\*\*\*

The following Provisional comments issued on the Consolidated financial statements to the company are not pursued on the assurance given by the Management. These may be kept in view while preparing next year accounts.

**Comments on Disclosure**

**Notes Forming Part of the Financial Statement (Balance Sheet)**

**Share Capital (Note No.2)**

1. The Company did not disclose the fact that original share certificates pertaining to its paid-up share capital are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.

**Non-Current Investment (Note No.13):**

2. The Company did not disclose the fact that original share certificates pertaining to its investment in the shares of subsidiary companies and /or joint venture companies valuing ₹4.40 crores are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.
3. From a review of the investments made by the Company in subsidiary and/or joint venture companies by way of subscription to their equity shares, it was observed that the name of the Company was mentioned as "Andhra Pradesh Mineral Development Corporation Limited" instead of as "The Andhra Pradesh Mineral Development Corporation Limited" in the share certificates of 11 investments (Annexure-I) valued ₹5.01 crores.

**Significant Accounting Policies and Notes forming part of the accounts (Note No. 28)**

**Notes to Consolidated Financial Statements for the year ended 31 March 2016 (Note No. 11)**

**2) Contingent Liabilities and Commitments**

4. The above does not include an amount of ₹17.29 crore being the penalty amount levied (September/December 2007) by the Dy. Transport Commissioner, Karlapa for transporting overloads in excess of the capacity of the goods vehicles in violation of the provisions of the Motor Vehicle Act, 1988.

--

Yours faithfully,

Deputy Accountant General/AMG-II

Encl: Annexure-B

# ANNEXURE-B

S. No.	Name of the Joint Venture	No. of shares	Face Value of the Shares (in ₹)	Distinctive No.	Remarks
1	M/s Andhra Phosphate (P) Ltd.	1110	1000	1 & 3 to 101 & 201 to 310 & 421 to 1320	Instead of the name of the Company, the shares with distinctive numbers 1 was issued in the name of the nominee of the Company.
2	M/s Ongole Iron Ore Mining Co. Pvt. Ltd.	26,100	10	0053901 to 0110000	
3	M/s Aswani Mineral Development (P) Ltd.	65000	10	7401 to 10000 & 10001 to 72400	Shares with distinctive No. 7401 to 10000 issued in the name of the nominee of the Company
4	M/s Mangasree Granites (P) Ltd	130000	10	10001 to 140000	Name of the company is indicated as "Mrs Mangasree Granites (P) Ltd." instead of a "Mrs Mangasri Granites (P) Ltd." in Note No. 5 to the 'Notes forming part of the Balance Sheet'.
5	M/s A.P. Granites (Midwest) P Ltd.	1100000	10	1500001 to 2050000 & 7225001 to 7500000 & 9725001 to 10000000	
6	M/s Alliance A.P. Black Galaxy Granites (P) Ltd.	1100000	10	4450001 to 5000000 & 9822101 to 10000000 & 8010001 to 8382100	In share certificates bearing numbers 4450001 to 5000000, the name was not written correctly.
7	M/s Pallava Red Granites (P) Ltd.	110000	100	1860111 to 209000 & 535441 to 575787 & 653338 to 700000	

8	M/s Andhra Baryte Corporation (P) Ltd	852500	10	2670001 to 3000000 & 7227501 to 7750000	
9	M/s Hindex Baryte Private Ltd.	450000	10	3640910 to 4090909	
10	M/s Andhra Pradesh Tribal Mining (P) Ltd	28600	10	6001 to 28600	
11	M/s A.P. Coastal Sands and Metal Private Limited	13000	10	15001 to 28000	

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members,**  
**The Andhra Pradesh Mineral Development Corporation limited,**  
**Vijayawada.**

### **Report on the Audit on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **The Andhra Pradesh Mineral Development Corporation limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and



fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion on the financial statements.

### **Basis for Disclaimer of Opinion**

- (i) The company has, during the previous year passed entries for "bifurcation" (based on the recommendations of a Committee and as per G.O. issued by the Govt. of A.P.), except w.r.t. Share capital. We are informed that such an exception is based on the agreement between the two companies (APMDC & TSMDC) for which no written document was produced for our verification. Hence, we are not able to comment on the appropriateness of not passing entries for bifurcation of share capital.



- (ii) In the absence of details of total area/ area mined out, we are not able to comment on the appropriateness of the provision for reclamation and rehabilitation expenses of ₹6,00,73,000.(Note No19)
- (iii) The amounts transferred to TSMDC. Consequent to bifurcation are subject to confirmation by them.. Hence we are not able to comment on the following amounts (a) ₹25,80,10,226 (cr) (Demerger adjustment), and ₹40,75,70,870 (cr) ( Interest on FDRs etc allocated to Telangana ) both included in Note 3 (Non current- Other liabilities). (b) ₹15,00,98,047 (dr) (Advance to Telangana region). ₹7,70,01,656 (dr) (Telangana Region Advance( Transfer of assets and Liabilities) and ₹ 31,55,58,083 (dr) Demerger adjustment on account of FDRs etc) Included under Note 9 (Non-Current Assets)

#### **Disclaimer of Opinion**

In our opinion and to the best of our information and according to the explanations given to us, Except for the effects of the matter(s) described in the Basis for Disclaimer of Opinion paragraphs above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;

(b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and

(c) In the case of the cash Flow Statement, of the cash flows for the year ended on that date.

#### **Emphasis of Matter**

(a) We draw attention to Note 21(2)(VI) which describes that the figures of last financial year are not comparable to the current financial year as they show the status of 9 months 29 days (i.e. 02.06.2014 to 31.03.2015).





(b) We draw attention to Note 21(2)(V) which describes that G.O. has not been issued by Govt. of Telangana for giving finality to the Scheme of Bifurcation. Further, as per S.68(2) of the A.P.re-organisation Act,2014," The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in section 53. In terms of the said section, the Govt. of A.P./ Telangana is yet to issue a G.O.

Our opinion is not qualified in respect of the above

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

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Except to the extent stated per paras (i)-(vi) of basis of disclaimer of opinion above
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Except, to the extent stated per paras (i)-(iv) of Basis of Qualified opinion above
  - e. In terms of GSR 463(E) dated 5<sup>th</sup> June, 2015, the provisions w.r.t. Disqualification of Directors u/s 164(2) of companies Act, 2013, are not applicable to APMDC, being a govt. company





- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigations as per Note 20(2) (f) to the Balance Sheet.
- (ii) There are no long-term contracts including derivative contracts entered by the company.
- (iii) There are no amounts which are required to be transferred, to the Investor Education and Protection Fund, by the Company.
- (iv) The company has not complied with the terms of S.124 of the Companies act,2013 w.r.t Unpaid Dividends. Further, in terms of s.123(6) of the said act, the Company cannot pay dividend since the company has violated provisions of S.73 w.r.t. deemed Deposits (Also see para(36) of Annexure 'A' attached)



3. In terms of S.143(5) of the Companies Act,2013, we report hereunder on the directions issued by C&AG:

S.No.	Directions of C&AG	Our Comment
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available	We have not been shown any documents relating to the title to Leasehold property (835.431Hect). Hence, we are not able to comment on the same
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved	There are no cases of Waiver/write off of Debts/loans/interest etc.,during the year
3	Whether proper records are maintained for Inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities	The company is maintaining proper records for Inventories lying with Third parties. The company has not received any assets as Grants/ gift from Government or other authorities

Place: **HYDERABAD**  
Date : **05.06.2021**



For **VENUGOPAL & CHENOY,**  
**CHARTERED ACCOUNTANTS,**  
**FRN: 0046718**

*[Signature]*  
**CA. D. Venkata Jenkinath**  
**Partner**

**M.No.029505**

**UDIN: 21029505AAAADI4853**

**Annexure A to the Independent Auditors' Report**

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2016, we report that:

(i) In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets of Head office and Mangampetbranch. However, there are no records maintained in respect of fixed assets for remaining branches.
- b. In the absence of any laid down procedure, we are not able to comment whether the physical verification of fixed assets has been conducted at reasonable intervals. No material discrepancies were noticed on physical verification, conducted during the year.
- c. The title deeds or legal possession documents of Lands (free hold as well as Leasehold) have not been made available to us. Hence, we cannot comment on this.

(ii) In respect of Inventories:

In our opinion and according to the information and explanation given to us, there are no laid down procedures of physical verification of inventory. Hence, we are not able to comment whether the same have been conducted at reasonable intervals.

The Inventory has been physically verified by the management during the year. The company is maintaining proper records of inventory. No discrepancy has been found on physical verification of inventory as compared to book records.

- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register-maintained u/s.189. Hence, provisions of Para - 3 (iii) (a) to (b) of the Companies (Auditors' Report) Order, 2016, are not applicable



- (iv) There are no Loans or guarantees given by the company that are attracted by the provisions of S.185 and 186 of the Act. The Investment made by the company are in accordance with the provisions of s.186 of the Act.
- (v) The Company has received amounts towards supply of material and which have not been adjusted within a period three hundred and sixty five days .These amounts are thus Deemed Deposits in terms clause 2(xii)(a) of The Companies (Acceptance of Deposit) Rules,2014. Provisions of the following sections of Companies Act,2013 and The Rules framed thereunder have not been complied with S.73-Acceptance of Deposit, R.3(1)(a) Acceptance of Deposit which is repayable on demand, R.3(8)(a) non obtention of Credit rating of its deposits,R.13- regarding Maintenance of Liquid assets,R.14- regarding maintenance of Register of Deposits and rule 16- regarding filing of return of deposits. No order has been passed by Company law Board or National company law tribunal or Reserve bank of India or any court or any other tribunal
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to Rules made by the Central government for maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie* , the prescribed accounts and records have been made and maintained
- (vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other statutory dues which were in arrears as at March 31,2016, for a



period of more than six months from the date they became payable, except an amount of ₹---- representing---- dues and ₹202,26,440 Tax on Interim and special dividend are outstanding for a period exceeding six months from the date on which they have become payable

b) According to the information given to us and as per the records of the Company examined by us, there details of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess, outstanding on account of disputes are given hereunder

S.No	Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
1	Income Tax Act		549,46,047	2011-12(A Y)	ITAT	
2	Income Tax Act		110,71,279	2012-13	ITAT	
3	Income Tax Act		27,31,630		CIT(A), Guntur	
4	VAT/Sales Tax	Tax on Explosives- 2 <sup>nd</sup> Sale	287,647 336,253 508,165	1998-99 1999-00 2000-01	Tribunal	
5	VAT/Sales Tax	Tax on Explosives- 2 <sup>nd</sup> Sale- penalty	392,913	2007-08	Tribunal	
6	VAT/Sales Tax	Tax on Explosives- 2 <sup>nd</sup> Sale and consideration Penalty Interest	10,047,014 3,349,005 602,821	2008-09 2008-09 2008-09	Tribunal	
7	VAT/Sales Tax	Consideration Penalty	23,295,681 8,361,030	2009-12 2009-12	Tribunal	





- (viii) The company has no borrowings from financial institution, Bank or dues to debenture holders. The company has not defaulted in repayment of Loans from Government.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of public offer. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated. Accordingly, paragraph 3(x) of the order is not applicable
- (xi) The company is a Government Company In terms of Notification No.463(E) dated June 5,2015 the provisions of S.197 are not applicable. Accordingly, paragraph 3(xi) of the Order us not applicable
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



**VENUGOPAL & CHENYO**  
Chartered Accountants

4-1-889/16/2, Tilak Road,  
Hyderabad – 500 001.  
Telefax: 24753454, 24753852  
24752853, 24756885  
Email: info@venugopalandchenoy.com

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**Place: HYDERABAD**  
**Date :05.06.2021**

**For VENUGOPAL & CHENYO,**  
**CHARTERED ACCOUNTANTS,**  
**FRN: 0046718**



  
**C.A.D. Venkata Jankinath**  
**Partner**

**M.No.029505**

**UDIN: 21029505AAAAD14853**

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **The Andhra Pradesh Mineral Development Corporation** ("the Company") as of 31 March 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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





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

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

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

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



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

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

The company needs to document its procedures and controls vis a vis Internal controls Over Financial Reporting.

**Qualified Opinion on adequacy( and therefore operating effectiveness) of Internal Controls Over Financial reporting)**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016;

(1) There is a lack of flow of information vis a vis pending litigation with the result that there is no review of such cases and resulting in repetition of amounts stated per earlier years

A "material weakness" is a deficiency, or a combination of deficiencies, in financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim statements will not be prevented or detected on a timely basis

In our,, except for the effects/ possible effects of the material weaknesses described above on the achievement of objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance



Note on Audit of Internal Financial Controls Over Financial Reporting issued by  
the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in  
determining nature, timing and extent of audit tests applied in our audit of  
financial statements of the company and are not able to comment on the effect  
of such weaknesses on the financial statements of the company

**Place: HYDERABAD**  
**Date: 05.06.2021**

**For VENUGOPAL & CHENYO,**  
**CHARTERED ACCOUNTANTS,**  
**FRN: 0046718**



*V. VenkataJankinath*  
**CA. V. VenkataJankinath**  
**Partner**  
**M. No.029505**  
**UDIN: 21029505AAAADI4853**



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Esldr 24th Feb., 1961 )

**BALANCE SHEET AS AT 31st March 2016**

	PARTICULARS	Note	As at 31 <sup>st</sup> March 2016		As at 31st March 2015 (02.06.14 to 31.03.15)	
			Rupees		Rupees	
I	<b>EQUITY AND LIABILITIES</b>					
1	<b>SHAREHOLDERS FUNDS</b>					
a	Share Capital	1	6,30,62,000		6,30,62,000	
b	Reserves & Surplus	2	9,17,20,75,567	9,23,51,37,561	6,93,43,03,567	6,99,75,65,567
2	Share application money pending allotment		-	-	-	-
3	<b>Non-Current Liabilities</b>					
a	Long term borrowings		-	-	-	-
b	Deferred tax liability (Net)		-	-	-	-
c	Other Long-term Liabilities	3	2,15,69,33,479		57,29,54,632	
d	Long-term provisions	3	8,03,27,500	2,24,72,60,979	2,02,54,500	59,82,09,132
4	<b>Current Liabilities</b>					
a	Short-term borrowings	3	-	-	15,00,00,000	
b	Trade payables	3	-	-	-	-
	a) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,13,69,35,665		1,06,00,52,364	
c	Other current liabilities	3	86,73,98,946		1,84,71,03,992	
d	Short-term provisions	3	23,33,37,909		12,73,55,395	
				2,23,76,72,740		3,18,45,11,741
	<b>TOTAL</b>			13,72,00,71,280		10,77,52,86,440
II	<b>ASSETS</b>					
1	<b>Non-current assets</b>					
a	<b>Fixed Assets</b>					
i)	Tangible assets	4	23,32,55,522		12,60,86,534	
ii)	Intangible assets	4	7,48,901		9,06,713	
iii)	Capital Work In Progress	4	-		6,14,58,726	
iv)	Lease hold building		-		32,30,308	
b	Non-current investment	5	4,40,36,153		4,49,57,363	
c	Deferred Tax Asset (Net)	20	7,66,21,108		1,47,73,045	
d	Long-term loans and advances	9	3,41,12,36,688		2,42,29,30,509	
e	Other non-current assets	8	6,09,14,76,267	9,85,73,74,659	6,73,32,41,866	9,40,75,86,064
2	<b>CURRENT ASSETS</b>					
a	Inventories	6	61,15,17,916		66,54,14,041	
b	Trade receivables	7	73,06,10,483		12,28,06,050	
c	Cash & Bank balances	8	1,31,06,13,331		17,51,84,131	
d	Short-term Loans & Advances	9	1,55,70,70,693		18,14,23,583	
e	Other current assets	10	73,38,84,195	3,85,26,96,621	21,88,77,777	1,36,77,00,376
	<b>TOTAL</b>			13,72,00,71,280		10,77,52,86,440

The Notes referred to above, notes on accounts and the Significant Accounting Policies annexed form part of the Balance Sheet

For VENUGOPAL & CHENOY  
CHARTERED ACCOUNTANTS  
(FR.No.004671S)

(CA) VENKATA JANKINATH  
(FR.No.029505)  
PARTNER



For and on behalf of the Board of Directors

(V.G. VENKATA REDDY)  
VC & MD (F&A)

VITAYALAKOTA, Dtd: 12/05/2016

(1) MOHAN RAO  
DIRECTOR

VITAYALAKOTA, Dtd: 12/05/2016

Place: HYDERABAD  
Date: 05/06/2016

(D. SRINIVASA RAO)  
DMG (F&A, F&A)



## THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

( Estd: 28th Feb., 1961 )

## \* STATEMENT OF PROFIT &amp; LOSS \* FOR THE YEAR ENDED 31st MARCH, 2016

	PARTICULARS	Note	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15)	
			Rupees		Rupees	
I.	Revenue from operations	11	6,29,01,63,475		1,23,27,73,430	
II	Other Income	12	7,46,18,045		88,88,57,124	
III	Total revenue (I + II)			7,01,82,68,520		2,12,16,30,554
IV	EXPENSES					
a	Cost of Material Consumed	13	2,50,98,396		30,01,962	
b	Change in inventories of finished goods	14	5,33,13,486		(28,86,33,288)	
c	Employees Benefits expenses	15	29,22,05,922		14,16,37,953	
d	Depreciation & Amortisation expenses	4	2,44,95,542		2,51,05,847	
e	Finance Cost	16	56,95,893		45,20,548	
f	Other expenses	17	2,62,17,43,730		89,58,21,654	
	Total expenses			(3,02,45,52,967)		(78,14,54,676)
V	Profit before exceptional and extraordinary items and tax (III-IV)			3,99,37,15,553		1,34,01,75,878
VI	Prior period items	18		(19,71,72,538)		20,60,280
	Exceptional items	19		(6,00,73,000)		
VII	Profit before extraordinary items and Tax (V-VI)			3,73,64,70,015		1,34,22,36,158
VIII	Extraordinary items					
IX	Profit before Tax (VII-VIII)			3,73,64,70,015		1,34,22,36,158
X	Tax expense:					
1	Current tax		1,54,74,00,607		46,39,03,314	
2	Earlier years Tax		2,02,14,713		60,00,000	
3	Deferred tax		(6,18,47,063)	(1,50,57,75,257)	(1,61,49,502)	(45,37,53,812)
XI	Profit (Loss) for the period from continuing operations (IX-X)			2,23,06,94,758		88,84,82,346
XII	Profit (Loss) from discontinuing operations			-		-
XIII	operations			-		-
XIV	Profit (Loss) from discontinuing operations ( after tax) (XII-XIII)			-		-
XV	Profit ( Loss) for the period (XI+XIV)			2,23,06,94,758		88,84,82,346
	Earnings Per Equity Share (also refer note 1.3)					
	1. Basic			35,373.04		14,049.03
	2. Diluted			35,373.04		14,049.03

The Notes referred to above, notes on accounts and the Significant Accounting Policies annexed form part of the Statement of Profit & Loss.

For VENUGOPAL & CHENYOY  
CHARTERED ACCOUNTANTS  
(FD No.0046715)

For and on behalf of the Board of Directors

(C.A.D. VENKATA JANKINATH)  
(M.No.029505)  
PARTNER



(V.G. VENKATA REDDY)  
VC & MD (FAC)

(MOHAN RAO)  
DIRECTOR

VETALAWADA, Dated: 13/05/2016

VETALAWADA, Dated: 13/05/2016

Place: HYDERABAD

(D. SRINIVASA RAO)

Date: 05/06/2016

[DMG (FAC, F & A)]

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No:1 Share Capital**

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
<b>AUTHORISED CAPITAL:</b> 1,00,000 Equity Shares of Rs.1000 each (Previous year -1,00,000 Equity shares of Rs.1,000 each)	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b> 63,062 Equity Shares of Rs.1000/- each fully paid up (Previous year -63,062 Equity shares of Rs.1,000 each)	6,30,62,000	6,30,62,000
	6,30,62,000	6,30,62,000

**Additional Notes**

**1.1**

Reconciliation of the number of Equity Shares Outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

**1.2**

The Company has one class of equity shares having a par value of ₹ 1000 per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

**1.3**

The details of shares in the Company held by each shareholder holding more than 5% shares:

Name of the Share holder	% of holding	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)	
		No. of Shares held	% of holding	No. of Shares held
Governor of the Andhra Pradesh- Represented by Assistant Secretary to Government ( Mines ) Industries & Commerce department	99.995	63059	99.995	63059





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 2 RESERVES & SURPLUS

	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
a Capital Reserve				
FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH ALLOTTED BY				
i M/s. Damodhan Minerals Pvt Ltd				
18921 Equity Shares @ Rs.10/- each fully paid up	1,89,210			1,89,210
(less: Transfer to Telangana Region Adv (Tr of Assets & Liabilities))	(1,89,210)	-		-
ii M/s. Aswani Mineral Development Pvt Ltd				
65000 Equity Shares of Rs.10/- each fully paid up	6,50,000		6,50,000	
(less: Provision made for diminution in the value of shares)	(6,50,000)	-	(6,50,000)	-
iii M/S.SRA2 Mineral (P) Ltd				
325000 Equity Shares of Rs.10/- each fully paid up	32,50,000		32,50,000	
(less: Provision made for diminution in the value of shares)	(32,50,000)	-	(32,50,000)	-
iv Arlath Minerals Exports (P) Ltd				
130000 Equity Shares @ 10/- each fully paid up	13,00,000		13,00,000	
(less: Provision made for diminution in the value of shares)	(13,00,000)	-	(13,00,000)	-
v. Issa Minerals Exports (P) Ltd				
130000 Equity Shares @ 10/- each fully paid up	13,00,000		13,00,000	
(less: Provision made for diminution in the value of shares)	(13,00,000)	-	(13,00,000)	-
vi Margaree Granites (P) Ltd				
130000 Equity Shares @ 10/- each fully paid up	13,00,000		13,00,000	
(less: Provision made for diminution in the value of shares)	(13,00,000)	-	(13,00,000)	-
vii Ongole Minerals Exports (P) Ltd				
325000 Equity Shares @ 10/- each fully paid up	32,50,000		32,50,000	
(less: Provision made for diminution in the value of shares)	(32,50,000)	-	(32,50,000)	-
viii RLP Granites (P) Ltd				
325000 Equity Shares @ 10/- each fully paid up	32,50,000		32,50,000	
(less: Provision made for diminution in the value of shares)	(32,50,000)	-	(32,50,000)	-
ix M/s A.P.Granites(Midwest) P Ltd				
1100000 Equity shares @ 10/- each fully paid up		1,10,00,000		1,10,00,000
x M/s Alliance A.P.Black Galaxy Granites (P) Ltd	1,10,00,000		1,10,00,000	
1100000 Equity shares @ 10/- each fully paid up				
(less: Provision made for diminution in the value of shares)	(1,10,00,000)	-	(1,10,00,000)	-
xi M/s Pallava Red Granites (P) Ltd		1,10,00,000		1,10,00,000
1100000 Equity shares @ 100/- each fully paid up				
xii M/s A.P.Coastal sands & Minerals Pvt Ltd,				
13000 Equity shares @ 10/- each fully paid up	1,30,000		1,30,000	
xiii M/s.Ongole Iron Ore Mining Company Pvt Ltd	5,61,000		5,61,000	
56,100 Equity shares @ 10/- each fully paid up				
xiv M/s Gampar AP Barytes Beneficiation (P) Ltd	13,200		13,200	
1320 Equity shares @ 10/- each fully paid up				
xv M/s Andhra Baryte Corporation (P) Ltd	65,25,000		65,25,000	
6,52,500 Equity shares @ 10/- each fully paid up				
xvi M/s Andhra Pradesh Iron Ore Company Ltd	68,500		68,500	
6,850 Equity shares @ 10/- each fully paid up				
xvii M/s.Trinor Barite Private Ltd	45,00,000		45,00,000	
4,50,000 Equity shares @ 10/- each full paid up				
xviii M/s.V.V. Minerals (P) Ltd	1,10,000		1,10,000	
1,100 Equity shares @ 100/- each full paid up shares				
(less: Provision made for diminution in the value of shares)	(1,10,000)	-	-	-
Carry forward		3,57,97,200		3,60,96,910



THE ANUPRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED					
NOTES FORMING PART OF THE BALANCE SHEET					
Note No: 2 RESERVES & SURPLUS					
		Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
brought forward			3,57,97,280		3,68,96,918
OTHER RESERVES					
i) RESERVE FOR BAD & DOUBTFUL DEBTS					
As at the commencement of the year		₹			
		70,94,087		49,41,247	
Add: Transferred (sum+)/ to (-) Profit and Loss Account		0,06,504	70,93,681	21,52,340	70,94,087
ii) GENERAL RESERVE					
As per last Balance Sheet		95,37,77,313		89,67,27,547	
Less: Depreciation Adjustment with retained earnings		(1,00,651)		(55,14,227)	
Add: The portion of the Share Capital allotted to Telangana		2,62,84,242		(2,62,84,242)	
Add: Addition during the year		22,30,69,476		8,88,48,235	
At the end of the Year			1,20,30,29,388		98,37,77,313
c) Statement of Profit & Loss - Surplus					
Surplus as per last balance sheet		3,93,73,35,237		3,15,89,71,639	
Profit for the year		2,23,06,94,758		88,84,82,346	
Profit available for appropriation		8,16,62,30,015		644,74,54,605	
Less: Reserve for bad and doubtful Debt		(9,06,594)		(21,52,840)	
Less: Transfer to General Reserve		(22,30,69,476)		(8,88,48,235)	
Less: Dividend (Previous year Interim Dividend)		(1,57,65,500)		(1,57,65,500)	
Less: Tax on Dividend (Previous year tax Interim Dividend)		(32,40,645)		(31,57,173)	
Sub total		(24,29,81,221)		(70,99,18,748)	
As at End of the year			7,92,52,48,800		593,75,35,257
Total			9,17,20,75,561		6,93,45,03,569

Note: Rate of Dividend is 25% on the Share Capital and the amount per share is Rs.250.01





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 3

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.04.14 to 31.03.15)		
	Non-Current (Rupees)	Current (Rupees)	Total (Rupees)	Non-Current (Rupees)	Current (Rupees)	Total (Rupees)
<b>Non Current Liabilities &amp; Current Liabilities</b>						
i). Borrowings	-	-	-	-	15,00,00,000	15,00,00,000
ii). Deferred tax Liability	-	-	-	-	-	-
iii). Long term Liabilities	-	-	-	-	-	-
iv). Trade Payables ( Includes Refer Note 21- 2 (III) iv (ii) )	1,05,50,74,715	1,13,69,35,885	2,19,20,10,600	6,346	1,06,00,52,354	1,06,00,58,700
	1,05,50,74,715	1,13,69,35,885	2,19,20,10,600	6,346	1,06,00,52,354	1,06,00,58,700
v). Others	-	-	-	-	-	-
a). Relating to Employees	-	1,62,88,263	1,62,88,263	13,007	1,09,69,447	1,09,82,454
b). Other Liabilities ( also refer Note 21-2- III - (ii) & vi) )	85,12,47,939	39,12,91,248	1,24,25,39,187	29,07,68,011	1,30,54,93,081	1,59,62,61,092
c). Amounts payable to Govt of India	-	-	-	15,00,000	-	15,00,000
d). <del>Disputes</del>	68,60,937	43,31,84,011	44,00,44,948	1,07,18,187	52,43,03,728	53,50,21,915
e). CST/ APVAT / Service tax Payable ( refer Note 21-2- (III) - (i) & (ii) )	6,43,71,997	2,66,35,424	9,10,07,421	7,75,69,823	63,37,736	8,39,07,559
f). Expenses payable against Infrastructure Development ( refer note 21-2-(III) - (v) )	18,93,77,891	-	18,93,77,891	19,23,79,255	-	19,23,79,255
	1,11,18,58,764	86,73,98,946	1,97,92,57,710	57,29,48,286	1,84,71,03,992	2,42,00,52,278
	2,16,69,33,479	2,00,43,34,831	4,17,12,68,310	57,29,54,632	2,90,71,56,346	3,48,01,10,978
<b>vi). PROVISIONS</b>						
<b>For Employee benefits ( refer note 21-2- ( V ) (vi) )</b>						
a). Group Gratuity Premium payable	-	5,24,90,386	5,24,90,386	-	43,09,137	43,09,137
b). Group Leave Encashment Premium payable	-	4,70,21,938	4,70,21,938	-	82,26,818	82,26,818
<b>Others</b>						
a). Reclamation & Rehabilitation of Mined out areas	8,03,27,500	-	8,03,27,500	2,02,54,500	-	2,02,54,500
b). Dividend & Special Dividend - 2013-14	-	7,88,27,500	7,88,27,500	-	7,88,27,500	7,88,27,500
c). Tax on Dividend & Special Dividend - 2013-14	-	1,70,74,267	1,70,74,267	-	1,70,74,267	1,70,74,267
d). Dividend - 2014-15	-	1,57,65,500	1,57,65,500	-	1,57,65,500	1,57,65,500
e). Tax on Dividend - 2014-15	-	31,52,173	31,52,173	-	31,52,173	31,52,173
f). Dividend - 2015-16	-	1,57,65,500	1,57,65,500	-	-	-
g). Tax on Dividend - 2015-16	-	32,40,645	32,40,645	-	-	-
<b>Total (C)</b>	<b>8,03,27,500</b>	<b>23,11,37,909</b>	<b>31,36,65,409</b>	<b>2,02,54,500</b>	<b>12,73,55,395</b>	<b>14,76,09,895</b>
<b>Total a+b+c</b>	<b>2,24,72,60,979</b>	<b>2,23,76,72,740</b>	<b>4,48,49,33,719</b>	<b>59,32,09,132</b>	<b>3,18,45,11,741</b>	<b>3,77,77,20,873</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 4 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	AS AT 01.04.2015	ADDITIONS DURING	SALE/ ADJUSTMENT	AS ON 31.03.16	UP TO - 31.03.2015	For the year	Prior Period Exp	Adjusted with Retained Earnings	On 01.04.15	UP TO - 31.03.16	AS AT - 31.03.16	AS AT - 31.03.16
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>												
1 Land (see note 9(b)(i)(a) agreement with the Govt. of Andhra Pradesh for 100 Telsikere)	3,01,19,585	5,23,35,000	-	8,24,54,585	-	-	-	-	-	-	8,24,54,585	1,01,19,585
2 Buildings	9,14,75,763	20,79,000	-	9,35,54,763	2,52,64,111	12,65,525	-	16,637	139	2,70,46,714	2,52,16,149	2,52,21,232
3 Plant & Equipments	12,79,13,590	6,63,02,917	7,32,419	19,39,84,088	6,99,24,329	1,45,67,947	-	717	4,96,162	8,37,97,042	10,96,87,046	9,79,66,172
4 Furniture & Fixtures	50,77,869	7,67,590	-	58,45,459	32,55,312	5,11,637	-	33	809	37,66,193	36,79,866	18,12,855
5 Office Equipments	1,20,93,804	3,49,1,035	13,489	1,35,67,573	99,21,582	13,88,588	-	-	3,80,192	1,00,10,479	37,56,395	21,70,943
6 Vehicles	1,59,71,854	2,57,960	15,188	1,77,34,736	95,47,139	17,38,406	-	2	14,429	1,12,67,111	47,83,815	35,84,720
7 Others:-												
i) Data Processing Equipments	1,51,77,873	57,88,819	-	2,10,66,712	1,18,18,134	27,76,944	1,30,445	84,781	1,25,398	1,56,24,616	51,82,476	24,34,748
ii) Wells	1,79,155	1,72,070	1,28,085	3,23,410	1,70,482	88,789	-	-	1,21,881	1,29,580	1,95,290	1,976
iii) Electrical Installations	74,24,764	-	-	74,24,764	67,06,191	1,49,573	-	-	804	68,54,610	5,70,384	7,15,773
iv) V.I. Centre equipments	1,78,338	-	-	1,78,338	1,68,782	124	-	-	1,68,886	9,152	9,152	9,152
v) Fire- Aid equipments	9,420	-	-	9,420	8,949	-	-	-	8,949	471	471	471
vi) Rest house equipments	2,87,969	-	-	2,87,969	2,70,202	1,328	-	-	2,71,538	16,439	17,267	17,267
vii) Laboratory equipments	21,086	-	-	21,086	23,852	-	-	-	23,852	1,764	1,764	1,764
viii) Library	40,821	-	94,101	1,35,922	30,587	193	-	-	30,779	-	-	2,231
ix) Tools & Test Equipment	2,74,246	27,216	-	3,01,462	2,21,289	15,616	-	-	2,49,905	52,607	61,007	61,007
Sub total (1 to ix)	2,49,99,222	60,44,125	1,07,605	3,10,50,952	2,09,38,418	30,24,294	1,30,445	84,781	2,88,762	2,38,90,714	47,26,561	32,59,808
<b>Total (1 to 9)</b>	<b>20,49,75,410</b>	<b>12,96,18,430</b>	<b>9,38,005</b>	<b>33,55,31,845</b>	<b>12,68,83,876</b>	<b>2,29,86,618</b>	<b>1,30,445</b>	<b>1,01,850</b>	<b>14,99,273</b>	<b>14,88,72,516</b>	<b>37,51,85,322</b>	<b>32,60,86,534</b>
Figures for the Previous Year	26,06,78,207	45,01,214	5	30,52,79,426	11,21,43,970	2,70,07,834	-	55,14,229	6,12,160	13,83,52,876	12,60,86,532	15,07,92,421
<b>Intangible Assets</b>												
A Computer Software	51,51,246	1,30,894	-	52,82,140	44,44,973	2,78,614	-	1	1	49,23,160	7,48,979	9,06,713
Figures for the Previous Year	59,44,546	2,05,000	-	61,49,546	42,26,529	2,46,832	-	-	60,814	44,44,531	9,06,713	11,24,272
<b>Capital Work-in-Progress</b>												
Capital Work-in-Progress (see note 9(b)(i)(b))	6,14,58,726	-	6,14,58,726	-	-	-	-	-	-	-	-	6,14,58,726
Figures for the Previous Year	1,11,49,374	5,17,49,544	14,59,094	6,14,58,726	-	-	-	-	-	-	6,14,58,726	1,14,49,276
<b>Amortisation</b>	<b>Gross Block</b>	<b>Additions</b>	<b>At (31.03.15)</b>	<b>Net Block</b>	<b>Amortisation till 03.15</b>	<b>for the year</b>						
Building (2nd floor of HMDPDC) Lease period 15.09.10 to 14.09.15 (230,27,747) and (4th floor on 01.04.15) Rs.57,54,500/-	2,89,42,289	-	43,17,724	2,46,24,565	2,14,34,257	32,78,308	-	-	-	2,46,44,565	-	32,78,308
	2,89,42,289	-	43,17,724	2,46,24,565	2,14,34,257	32,78,308	-	-	-	2,46,44,565	-	32,78,308
Figures for the Previous Year	2,89,42,289	-	43,17,724	2,46,24,565	1,86,20,167	28,11,190	-	-	-	2,18,34,257	32,78,308	60,43,478

Note: The Govt. of A.P. has allotted lands on lease hold basis - 810.831 hectares (P.Y. 2015-16) in Andhra Pradesh for which corporation has right of conducting mining operations. The value has not been incorporated in value of

Note: Capital / Capital work-in-Progress: Transferred to Plant & Machinery: Rs. 5,17,49,544, to ATHSIPDC: Rs. 94,91,404, in Test Equipment Rs. 10,480 and in Wells expense Rs. 4,314, total Rs. 6,14,58,726/-



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No: 5 Non Current Investment**

PARTICULARS	At at 31 <sup>st</sup> March 2016	At at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
	Rupees	Rupees
<b>a) Trade Investments</b>		
<b>Unquoted Investments:</b>		
<b>i) Subsidiary Companies:</b>		
For Cash		
i. M/s.APMDC - SCCL Sebyan Coal Company Ltd		
a) 5100 equity shares of Rs.10/- each fully paid up	51,000	51,000
(less: Provision made for Doubtful Investment)	(51,000)	-
ii) Contribution of equity share capital of 51% shares as against of		
Authorized Capital of Rs.20.00 Crores, share application money		
ii M/s Nuegum Coal Company Ltd (50% of IV Company)	59,57,040	3,00,000
59570 equity shares @ Rs.100/- each fully paid up		
(less: Provision made for Doubtful Investment)	(59,57,040)	-
j. M/s. Andhra Phosphate (P) Ltd.		
1110 Equity shares of Rs.1000 each fully paid up	11,10,000	11,10,000
For Consideration Other than Cash (Free ride Equity shares):		
k. M/s.Damodhara Minerals (P) Ltd.	1,88,210	1,88,210
18921 equity Shares of Rs.10/- each fully Paid up		
(less: Transfer to Telangana Region Adv.( Tr of Assets & Liabilities)	(1,88,210)	-
l. M/s Ougela Iron Ore Mining Company Pvt Ltd		
56,100 Equity shares @ 10/- each fully paid up	5,61,000	5,61,000
<b>ii) Joint Venture Companies:</b>		
For Consideration Other than Cash (Free Ride Equity Shares):		
i. M/S. Aswara Mineral Development (P) Ltd		
65000 Equity Shares of Rs.10/- each fully paid up	6,50,000	6,50,000
(less: Provision made for demeritiation in the value of shares)	(6,50,000)	(6,50,000)
ii M/S.SRAP Mineral (P) Ltd		
325000 Equity Shares of Rs.10/- each fully paid up	32,50,000	32,50,000
(less: Provision made for demeritiation in the value of shares)	(32,50,000)	-
iii. M/s. Arham Minerals Exports (P) Ltd		
130000 Equity Shares @ 10/- each fully paid up	13,00,000	13,00,000
(less: Provision made for demeritiation in the value of shares)	(13,00,000)	-
iv. M/s. Jsr Minerals Exports (P) Ltd		
130000 Equity Shares @ 10/- each fully paid up	13,00,000	13,00,000
(less: Provision made for demeritiation in the value of shares)	(13,00,000)	-
v M/s. Margasree Granites (P) Ltd		
130000 Equity Shares @ 10/- each fully paid up	13,00,000	13,00,000
(less: Provision made for demeritiation in the value of shares)	(13,00,000)	-
vi. M/s. Ongluc Minerals Exports (P) Ltd		
325000 Equity Shares @ 10/- each fully paid up	32,50,000	32,50,000
(less: Provision made for demeritiation in the value of shares)	(32,50,000)	-
vii. M/s. RLP Granites (P) Ltd		
325000 Equity Shares @ 10/- each fully paid up	32,50,000	32,50,000
(less: Provision made for demeritiation in the value of shares)	(32,50,000)	-
viii. M/s. A.P Granites ( Midwest ) P Ltd		
1,10,000 Equity Shares @ 10/- each fully paid up	1,10,00,000	1,10,00,000
Carry forward	1,26,71,000	1,32,11,210



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No. 5 Non Current Investment

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)	
	Rupees		Rupees	
<b>Brought Forward</b>		<b>1,26,71,000</b>		<b>1,32,18,210</b>
b. M/s.Alliance A.P.Black Galaxy Granites (P) Ltd 110000 Equity shares @ 10/- each fully paid up (less: Provision made for diminution in the value of shares)	1,10,00,000 (1,10,00,000)	-	1,10,00,000 (1,10,00,000)	-
c. M/s.Pallava Red Granites (P) Ltd 110000 Equity Shares @ 100/- each fully paid up		1,10,00,000		1,10,00,000
xi. M/s.A.P.Coastal sands & Metals Pvt Ltd, 13000 Equity shares @ 10/- each fully paid up		1,30,000		1,30,000
xii. M/s.Clinipex AP Barytes Beneficiation (P) Ltd 1320 Equity shares @ 10/- each fully paid up		13,200		13,200
xiii. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 Equity shares @ 10/- each fully paid up		85,25,000		85,25,000
xiv. M/s. Andhra Pradesh Iron Ore Company Ltd 6,850 Equity shares @ 10/- each fully paid up		68,500		68,500
xv. M/s.Trimesh Barite Private Ltd 4,50,000 Equity shares @ 10/- each fully paid up		45,00,000		45,00,000
xvi. M/s V.V. Minerals (P) Ltd 1,100 Equity shares @ 100/- each fully paid up (less: Provision made for diminution in the value of shares)	1,10,000 (1,10,000)	-		1,10,000
For Cash				
h. M/S.Andhra Pradesh Tribal Mining (P) Ltd 28600 Equity Shares of Rs 10/-each fully paid up (less: Provision made for Doubtful Investment)	2,86,000 (2,86,000)			2,86,000
		<b>3,69,07,700</b>		<b>3,78,43,910</b>
<b>b) Other Investments</b>				
National Saving Certificates (pledged with ADMG for Execution of Quarry leases) (also Refer note 21 - 2 - II (ii))		71,23,453		71,13,453
<b>TOTAL</b>		<b>4,40,36,153</b>		<b>4,49,57,363</b>
<b>Total Investments</b>		<b>6,85,00,950</b>		<b>6,31,43,910</b>
Note 1. The aggregate provision made for Doubtful Investments		62,94,040		-
Note 2. The aggregate Provision made for diminution in the value of shares		2,54,10,000		2,53,00,000
Note 3. Transfer to Telangana Region Adv.( Tr of Assets & Liabilities)		1,89,210		-
		<b>3,69,07,700</b>		<b>3,78,43,910</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**SCHEDULE FORMING PART OF THE BALANCE SHEET**

**Note No: 6 Inventories**

Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )	
		Rupees		Rupees
Valued at lower of cost and net realisable value				
a) Finished goods ( at cost )		60,34,93,741		60,68,07,227
b) Stores and spares ( at cost )		48,74,877		38,47,847
c) Others				
i) HSD Oil ( at Cost )	4,46,116		21,04,299	
ii) Explosives ( at cost )	18,26,338		23,74,348	
iii) Packing Material ( at cost )	8,76,844	31,49,298	2,80,320	47,58,967
<b>Total:</b>		<b>61,15,17,916</b>		<b>66,54,14,041</b>

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No: 7 Trade Receivables ( Current ) ( also refer Related parties note No.21-2 - V (b) (IV-iii) )**

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )	
		Rupees		Rupees
a) Outstanding for a period exceeding 6 months from due date:				
Un Secured Considered good	2,63,69,626		1,02,36,628	
Un Secured Considered doubtful	2,85,86,048	5,49,55,674	84,48,753	1,86,85,381
( Less: Provision made )		(2,85,86,048)		(84,48,753)
		2,63,69,626		1,02,36,628
b) Other Trade Receivables				
Un Secured Considered good		11,32,40,857		11,55,69,422
<b>Total</b>		<b>13,96,10,483</b>		<b>12,38,06,050</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: B Cash and bank balances

PARTICULARS	As at 31st March 2016 (In Rupees)					As at 31st March 2015 (07.06.14 to 31.03.15)				
	Non Current		Total	Current		Non Current		Total	Current	
	Frozen (Refer Note 2 below)				Total	Frozen				Total
<b>I). CASH AND CASH EQUIVALENT</b>										
a). Balance with Banks										
In Current Accounts	61,19,068	-	61,19,068	15,27,79,671	15,88,98,739	50,84,036		50,84,036	10,38,49,576	10,89,33,612
In Deposit Accounts										
Fixed Deposit	3,00,00,000		3,00,00,000		3,00,00,000					
Sweep at AB				1,15,76,90,171	1,15,76,90,171				7,42,25,441	7,42,25,441
b). Cash on hand	-	-	-	1,43,489	1,43,489				1,09,114	1,09,114
	3,61,19,068	-	3,61,19,068	1,31,06,13,331	1,34,67,32,399	50,84,036	-	50,84,036	17,87,84,131	18,32,68,167
<b>II). Others bank balances</b>										
a). Fixed Deposits	5,12,46,66,999	-	5,12,46,66,999		5,12,46,66,999	5,86,26,98,740		5,86,26,98,740		5,86,26,98,740
b). Fixed Deposits Kept for BG	9,74,30,241	56,90,933	10,31,21,174	-	10,31,21,174	79,92,13,101	56,25,000	80,48,38,101	-	80,48,38,101
c). Fixed Deposits BG- Without Lien	76,71,43,057		76,71,43,057		76,71,43,057					
d). Sweep Account SBI - Khairatabad	5,63,83,987		5,63,83,987		5,63,83,987	5,65,74,987		5,65,74,987		5,65,74,987
	6,04,56,24,294	56,90,933	6,05,13,15,217	-	6,05,13,15,217	6,71,84,66,828	56,25,000	6,72,41,11,828	-	6,72,41,11,828
e). Post Office Saving Bank Account (Refer note 21 - (2) - II.(f) (also refer note (1) below)		40,42,002	40,42,002	-	40,42,002		40,46,002	40,46,002	-	40,46,002
	-	40,42,002	40,42,002	-	40,42,002	-	40,46,002	40,46,002	-	40,46,002
	6,08,17,43,352	97,32,935	6,09,14,76,287	1,31,06,13,331	7,40,20,89,618	6,72,35,70,844	96,71,002	6,73,32,41,846	17,81,84,131	6,91,14,25,997

Note:1 The original pass books of Postal Saving Accounts were pledged with Asst. Director of Mines & Geology for granting leases. Hence the physical possession of the postal saving accounts are not with the Corporation.

Note:2 - The Govt of Telangana has directed to the banks not to allow any cash or fixed deposits in any current account, Saving bank account or term Deposit account or any other account to be withdrawn or transferred or in any manner modified, based on instructions issued by The A.P.Mineral Development Corporation Ltd or any other member of the disputed Board Constituted by the Government of Andhra Pradesh on 21.10.2014. All such monies may be frozen immediately pending the approval of the Demerger plan of APMDCL



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 9 - Loans & advances

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)		
	Non - Current	Current	Total	Non - Current	Current	Total
<b>a) Un-Secured - Capital Advances</b>						
a) Considered good ( un secured )	1,66,70,93,262		1,66,70,93,262	1,75,18,61,442	23,327	1,75,18,85,769
b) Considered Doubtful ( un secured )	11,09,21,032		11,09,21,032	1,63,05,532		1,63,05,532
Sub total	1,77,80,14,294	-	1,77,80,14,294	1,76,81,67,974	23,327	1,76,81,91,301
(Less: Provision for Doubtful items)	(11,09,21,032)	-	(11,09,21,032)	-		-
	1,66,70,93,262	-	1,66,70,93,262	1,76,81,67,974	23,327	1,76,81,91,301
<b>b) Other Loans &amp; Advances</b>						
<b>i. Loan to employees</b>						
Secured :						
Vehicle Loans to Staff ( Secured )	16,29,951	7,91,268	23,31,239	10,69,956	4,48,904	15,18,862
Unsecured, considered good :						
other Loans to staff	6,36,233	3,54,440	9,90,673	9,33,033	5,33,140	14,66,193
	22,66,184	10,55,728	33,21,912	20,02,991	9,82,064	29,85,055
<b>ii. Advances to employees</b>						
Unsecured, considered good:						
a) Considered good ( un secured )	-	2,22,945	2,22,945	-	2,20,414	2,20,414
b) Considered Doubtful ( un secured )	-	-	-	-	-	-
Sub total	-	2,22,945	2,22,945	-	2,20,414	2,20,414
<b>iii. Un Secured Advances to suppliers</b>						
a) Considered good ( un secured )	-	49,96,146	49,96,146	-	15,03,963	15,03,963
b) Considered Doubtful ( un Secured )	-	-	-	-	-	-
Sub total	-	49,96,146	49,96,146	-	15,03,963	15,03,963
(Less: Provision for Doubtful items)	-	-	-	-	-	-
	-	49,96,146	49,96,146	-	15,03,963	15,03,963



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 9 - Loans & advances

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)		
	Non - Current	Current	Total	Non - Current	Current	Total
iv. Un Secured - Advances to Govt. Depts.						
a) Considered good ( un secured )	72,60,52,733	1,52,95,92,334	2,25,56,45,067	39,84,92,910	6,71,68,695	46,56,61,605
b) Considered Doubtful ( un secured )	40,07,349	-	40,07,349	40,07,349	-	40,07,349
Sub total	73,00,60,082	1,52,95,92,334	2,25,56,52,416	40,25,00,259	6,71,68,695	46,96,68,954
(Less: Provision for Doubtful items)	(40,07,349)	-	(40,07,349)	-	-	-
	72,60,52,733	1,52,95,92,334	2,25,56,45,067	40,25,00,259	6,71,68,695	46,96,68,954
v. Un Secured - Advance to others						
a) Considered good ( un secured )	59,69,55,367	2,13,77,384	61,83,32,751	6,76,64,060	6,89,05,984	13,65,70,044
b) Considered Doubtful ( un secured )	1,89,19,444	-	1,89,19,444	1,00,93,083	-	1,00,93,083
Sub total	61,58,74,811	2,13,77,384	63,72,52,195	7,77,57,143	6,89,05,984	14,66,63,127
(Less: Provision for Doubtful items)	(1,89,19,444)	-	(1,89,19,444)	(1,32,525)	-	(1,32,525)
	59,69,55,367	2,13,77,384	61,83,32,751	7,76,24,618	6,89,05,984	14,65,30,602
vi. Prepaid expenses	-	98,26,156	98,26,156	-	34,44,122	34,44,122
vii. Un Secured - Deposits						
i) With Govt. Departments ( un secured )						
a) Considered good ( un secured )	40,05,76,116	-	40,05,76,116	16,27,27,651	3,23,83,274	19,51,10,955
b) Considered Doubtful ( un secured )	5,97,085	-	5,97,085	5,97,085	-	5,97,085
Sub total	40,11,73,201	-	40,11,73,201	16,33,24,766	3,23,83,274	19,57,08,040
(Less: Provision for Doubtful items)	(5,97,085)	-	(5,97,085)	-	-	-
	40,05,76,116	-	40,05,76,116	16,33,24,766	3,23,83,274	19,57,08,040





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 9 - Loans & advances

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)		
	Non - Current	Current	Total	Non - Current	Current	Total
ii) Un Secured - With others						
a) Considered good (un secured)	1,82,93,026	-	1,82,93,026	87,20,449	67,91,540	1,55,11,989
b) Considered Doubtful (un secured)	7,53,612	-	7,53,612	5,89,452	-	5,89,452
Sub total	1,90,46,638	-	1,90,46,638	93,09,901	67,91,540	1,61,01,441
(Less: Provision for Doubtful Items)	(7,53,612)		(7,53,612)	-		-
	1,82,93,026	-	1,82,93,026	93,09,901	67,91,540	1,61,01,441
<b>ABSTRACT</b>	<b>Non Current</b>	<b>Current</b>	<b>Total</b>	<b>Non Current</b>	<b>Current</b>	<b>Total</b>
Considered good	3,41,12,36,688	1,56,70,70,693	4,97,83,07,381	2,39,14,70,533	18,14,23,383	2,57,28,93,916
Considered Doubtful	13,51,98,522		13,51,98,522	3,15,92,501		3,15,92,501
<b>Total</b>	<b>3,54,64,35,210</b>	<b>1,56,70,70,693</b>	<b>5,11,35,05,903</b>	<b>2,42,30,63,034</b>	<b>18,14,23,383</b>	<b>2,60,44,86,417</b>
Less: Provision made for Doubtful	(13,51,98,522)		(13,51,98,522)	(1,32,525)		(1,32,525)
	3,41,12,36,688.00	1,56,70,70,693	4,97,83,07,381	2,42,29,30,509	18,14,23,383	2,60,43,53,892



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No: 10 Other Current Assets**

PARTICULARS	As at 31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Int. accrued on Fixed Deposits	16,27,49,056	7,71,56,700
Int. accrued on FDR kept for BG	80,74,975	11,21,16,121
Int. accrued on Sweep account - SBI, Khairatabad	5,78,57,376	2,29,63,958
Int. accrued on Elec. Deposit	6,42,038	5,44,302
Int. accrued on Investments - N S C Bonds	45,30,513	44,68,022
Interest Accrued on Postal Savings Account	-	15,80,608
VAT credit receivable	-	12,820
M/s. Andhra Phosphate Ltd	30,240	30,240
<b>Total</b>	<b>23,38,84,196</b>	<b>21,88,72,771</b>

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

**Note No: 11 Revenue from Operations**

Particulars	For the period from 01.04.15 to 31.03.16	For the period from 02.06.14 to 31.03.15
a). Sale of Products	6,13,96,16,982	1,11,62,67,303
b). Other Operating Revenues	15,05,46,493	11,65,06,127
<b>Total</b>	<b>6,29,01,63,475</b>	<b>1,23,27,73,430</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

Note : 12 Other Income

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )	
	Rupees		Rupees	
a) Interest Income				
Interest on Fixed Deposits ( TDS Rs.4,63,95,907/- Previous year Rs.6,32,26,723)	58,51,80,452			
Less: Interest on FDRs for Telangana Region	(13,05,15,504)	45,46,64,948		78,31,46,665
Interest on Fixed Deposits Kept for BG ( TDS - 1,21,71,168 )	1,60,10,879		-	
Less: Interest on FDRs BG for Telangana Region	(64,62,835)	95,48,044	-	
Interest on FDR BGs without Lien	9,26,75,778			
Less: Interest on FDRs BG without Lien for Telangana Region	(3,90,44,064)	5,46,31,714		
Interest on Sweep a/c- SBI, Khairatabad	3,87,86,700			
Less: Interest on Sweep - SBI for Telangana Region	(3,40,17,720)	47,68,980		3,78,90,354
Interest on Sweep a/c- AB Somaiguda		12,94,46,637		32,42,059
Interest on Electricity Deposits ( TDS Rs/- 71,338/- Previous year Rs. 60480/- )		7,13,376		6,04,782
Interest on Investments - NSC Bonds		62,491		7,34,181
Interest on Postal saving bank account				1,40,237
Interest on Loans to staff		2,52,433		1,77,734
Interest on delay in payment of Min.Consideration				5,73,506
Interest on Deposits with Adtl.Chief Judge ( City Civil Court )				4,40,50,289
Other Interest receipts ( interest on Credit Sales )		43,51,954		6,802
		65,84,40,577		87,08,66,609
b) Dividend Income				
Dividend from M/S. A.P.Grantes ( Mid west )		13,20,000		13,20,000
		13,20,000		13,20,000
c) Other non-Operating Income				
Other ( Miscellaneous ) Income	99,06,829		1,27,23,177	
Rent Receipts	14,71,857		4,25,283	
Service Charges From APPL	-		33,600	
Income on Deferred Govt Grants	-		11,004	
Income On Depreciation on the Change of Pattern under Com. Act 2013	-		8,80,971	
Forfeiture of Security Deposit	3,36,89,000		10,00,000	
Forfeiture of EMD	-		6,00,000	
Penalty on ROM / OB	15,93,192		-	
Sale of Tender documents	13,77,345		8,80,350	
Profit on sale of Assets	9,000		-	
Sale of Scrap	-		1,460	
Freight & Insurance on Despatches	1,72,069	4,82,19,472	2,08,527	1,67,64,372
Amounts Written Back		2,01,24,996		2,06,142
<b>TOTAL</b>		<b>72,51,05,045</b>		<b>88,88,57,123</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No: 13 Cost of Material Consumed**

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )
	Rupees	Rupees
Consumption of Packing Material	2,50,98,396	30,01,962
<b>Total</b>	<b>2,50,98,396</b>	<b>30,01,962</b>

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No: 14 Changes in Inventories of Finished Goods**

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )
	Rupees	Rupees
<b><u>FINISHED GOODS:</u></b>		
Balance at the beginning of the year	65,68,07,227	36,81,73,939
Less: Balance at the closing of the year	60,34,93,741	65,68,07,227
<b>Total ( increase)/decrease in stocks</b>	<b>5,33,13,486</b>	<b>(28,86,33,288)</b>



THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED		
NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS		
Note No: 15 Employee Benefit expenses		
Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Salaries and Wages	14,97,61,314	9,46,57,073
Contribution to Provident and Other funds	11,00,29,020	2,01,11,487
Staff Welfare Expenses	3,24,15,588	2,68,69,393
Total	29,22,05,922	14,16,37,953
THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED		
NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS		
Note No: 16 Finance Cost		
Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Interest Expenses		
Interest on loan from Govt. A.P.	56,95,891	45,20,548
Total	56,95,891	45,20,548



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No : 17 Other Expenses**

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)	
		Rupees		Rupees
a) Power and Fuel		7,38,84,913		5,41,92,319
b) Rents		89,43,296		58,34,473
c) Repairs & Maintenance				
Repairs & Maintenance to Buildings	33,89,656		26,85,753	
Repairs & Maintenance to Machinery	46,90,263		19,14,669	
Repairs & Maintenance to Vehicles	18,12,389		9,02,364	
Repairs & Maintenance to Other Assets	9,65,716	1,08,57,924	4,39,632	59,42,438
d) Insurance		5,55,940		6,58,266
e) Rates and taxes		2,30,00,819		93,15,973
f) Other expenses				
i) Operating expense	191,58,51,664		46,33,14,748	
ii) Royalty & Other Levies	1,74,87,007		23,91,307	
iu) Selling Expenses	3,99,45,183		28,64,059	
iv) Prospecting & Mining Lease expenses (Refer Note 21 - 2 - IV - ii)	4,64,76,624		16,25,84,040	
v) Travelling & Conveyance Charges	1,21,61,066		42,18,488	
vi) Office & General expenses	14,53,79,704		8,20,74,178	
vii). Audit Fees to Statutory Auditors	6,34,925		3,64,800	
viii). Audit Fees to Other Auditors	5,29,960		3,55,108	
ix). Expenses to Auditors	2,23,072		1,21,936	
x) Printing & Stationery	55,11,931		8,64,160	
xi) Postage, Telegrams & Telephones	25,78,547		17,42,921	
xii) Corporate Social Responsibility expenses (refer Note -21 - 2- IV - i)	1,11,13,338		96,43,192	
xiii) Remuneration to outside services	22,64,22,412		8,51,68,737	
xiv) Bad & Doubtful Debts (Provision)	2,01,37,295		40,85,216	
xv) Bad & Doubtful Advances (Provision)	13,30,65,998			
xvi) Bad & Doubtful Investments (Provision)	62,94,040			
xvii) Fixed Assets written off	44,342			
xviii) Other Assets written off	1,67,61,620			
xix) Loans & Advances Written off	88,508	249,75,03,838	85,219	61,98,78,185
<b>Total</b>		<b>262,17,43,730</b>		<b>69,58,21,654</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

Note No: 18 Prior Period Items

PARTICULARS	As at 31st March 16	As at 31st March 15 ( 02.06.14 to 31.03.15)
	Rupys	Rupys
Expenditure relating to Previous years:-		
Prior period exp. At HO - (amount paid without provision during the year 13-14)	-	4,821
Amount paid to Grama Sanparch, Mangampet towards maintenance of drainage and sanitation works for the period from 01.01.14 to 31.03.14	-	7,30,567
Consultancy charges for preparation of b/d processing management against tender for procurement of heavy duty submersible pumps sets pertaining to M.Pet expenditure relating for the year 13-14	-	1,40,450
Consultancy charges for preparation of Corporate plan and memorandum of understandings final payment made on 22.08.12 and kept at Advances account now rectified	-	3,02,500
Consultancy charges for preparation of Mining Plan of Ferrate Block, amount paid during the year 10-11 and kept at Advances, now rectified	-	2,60,000
Consultancy charges to obtain Environmental Clearance from MOEF and Consent for Establishment / Consent for operation from APPCB for quarry lease for colour granules amount paid 2012-13 and kept at Advances, now rectified	-	60,400
Repair charges of Office building amount paid during the year 2007-08 as advance and not adjusted, now adjusted to advances	-	20,559
TA expenses for earlier years at Chinnamurthy Branch for the year 12-13	-	788
Excess interest booked in previous years - 08-09 to 13-14 from M/s Pallava Red Granules -	-	4,76,024
Waiver of Interest for the period from 28.02.13 to 01.06.14 of Sri Srinivasa Granules ( TPT)	-	60,599
Tour expenses of Auditors for the period from 26.06.13 to 09.07.13	-	91,000
Meeting expenses in connection with AP Re-Organisation for the month of January 2014 and March 2014	-	3,042
Excess provision of Fixed Deposit -APGB, Mangampet during the year 14-15	27,534	-
Expenditure of 14-15 towards ISO 9000 Certification Charges	16,000	-
Expenditure pertaining to 2013-14 towards designing and printing 2000 copies mineral bulletin of APMDCL	1,21,349	-
Expenditure of 14-15 towards Preparation of HR modules and HR Payroll Modules of the Corporation	2,57,500	-
Salary arrears of Ex-Po at vizag	6,323	-
Interest on FDRs, FDR-Bg and Sweep ( SBIL) for the period from 02.06.14 to 31.03.15 pertaining to Telangana Region. Earlier it was disclosed in the P&L A/C for the period from 02.06.14 to 31.03.15.	19,75,30,747	-
Prior Period Depreciation on Data Processing Equipments	1,30,645	-
<b>Total</b>	<b>19,80,90,096</b>	<b>21,50,350</b>
Less: Income relating to previous years		
Deficit Stamp duty	-	38,22,675
Registration fees	-	3,83,450
User charges	-	90
The House rent at Tirupathi Branch returned by Sri E Kuppen for the year 13-14	-	1,400
Excess Depreciation charged earlier years at Pedduguralla Branch	-	1
Interest Accrued on Fixed Deposits for the year 13-14	-	2,953
Amount received from Rehabilitant towards use time settlement at Mangampet- pertaining to 14-15	2,20,000	-
Cancellation of State Cheques Prior to 13-14 at Mangampet	57,250	-
Cancellation of Demand draft pertaining to Sulfur Coal Block	25,000	-
2015-16 - Excess Depreciation already charged. Already Depreciation charged is higher than the Depreciation whole life will be adjusted against the Salvaged value	6,15,310	-
<b>Total</b>	<b>9,17,560</b>	<b>42,10,629</b>
<b>Prior period Adjustment (Net)</b>	<b>(19,71,72,538)</b>	<b>20,80,280</b>





**The Andhra Pradesh Mineral Development Corporation Limited**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No: 19 Exceptional Items**

Particulars	As at 31 st March 16	As at 31 st March 15 ( 02.06.14 to 31.03.15 )
	Rupees	Rupees
Reclamation & Rehabilitation Expenses of Minedout areas ( Debit )	60,073,000	
	60,073,000	-

**The Andhra Pradesh Mineral Development Corporation Limited**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note 20 : Deferred tax Asset Net**

Particulars	Figures as at end of 31st March 16	Figures as at end of 31st March 15
Deferred tax Comprises of:		
i). Deferred tax Asset ( Provision etc )	86,312,071	5,605,647
ii). Deferred tax Liability ( Related to Depreciation )	(9,690,963)	9,168,398
iii). Deferred tax Asset ( refer Note - 21-2- (iii) )	76,621,108	14,774,045



Note No:21

Significant Accounting Policies and Notes forming part of the accounts for the year ended 31<sup>st</sup> March 2016

Note 1).Significant Accounting Policies

1). Significant accounting Policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements

Basis for preparation of accounts

The financial statements of the Company has been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ( the Act ) read with Rule 7 of the Companies ( Accounts ) Rules, 2014 issued by the Central Government and the relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded nearest rupees.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India (Indian GAAP) requires management to make judgment, estimates, assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

2). Current and Non-Current classifications

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the Operating Cycle (Operating cycle is assumed as 12 months by the company of the Company as per the guidance as set out in the Schedule III of the Companies Act, 2013

( I ) Assets

\* An asset shall be classified as current when it satisfies the following criteria:



a). It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle.

b). It is held primarily for the purpose of being traded.

c). It is expected to be realized within twelve months after the reporting date, or (d). It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**All other assets are classified as non-current."**

#### **( II ) Liabilities**

A liability is classified as Current when it satisfies the following criteria:

a). It is expected to be settled in the Company's normal Operating Cycle.

b). It is held primarily for the purpose of being traded

c). It is due to be settled within 12 months after the reporting date, or

d). the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current Liabilities include the current portion of non-current financial liabilities.

**All other liabilities are classified as non-current**

#### **3k. Fixed Assets & Depreciation:**

##### **a). Tangible fixed assets**

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on the written down value method over the estimated useful life of each asset as specified in Schedule II of the Companies Act, 2013. The useful lives are considered as prescribed as per Part "C" of schedule II of the companies Act, 2013. Depreciation for the year is recognized in the statement of profit and loss.

To compute Depreciation, the useful lives of fixed assets are as follows:

Asset class	Useful life (in years)
<b>I. Buildings:</b>	60
a). Buildings ( other than factory building) RCC Frame Structures	30
b). Buildings other than factory building )Other than RCC	



Frame Structures	
<b>II. Plant &amp; Equipment:</b>	
a). Plant & Machinery	15
b). Mining Equipment	15
c). Weighing Machines	15
d). Survey & Drawing equipment	05
<b>III. Furniture &amp; Fixtures</b>	10
<b>IV. Office Equipment</b>	05
<b>V. Vehicles</b>	08
<b>VI. Others:</b>	
a). Data Processing Equipment	03
b). Wells	05
c). Electrical Installations	10
d). Vocational Training Centre Equipment	05
e). First Aid Equipment	05
f). Laboratory equipment	10
<b>VII. Software / Net work:</b>	06

**b). Intangible Fixed Assets:**

Intangible assets that are acquired by the Company are measured initial at cost. And depreciate as per the estimated useful life as specified in Schedule II of the Companies Act, 2013.

c). The cost of interior arrangements in rented building are capitalized and amortized over the Lease period.

**d). Impairment of Assets:**

The carrying amounts of assets in use are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the carrying value is reduced to the lower of the net selling price or the value in use. The value in use is the present value of estimated future net income expected from use of the asset.

Impairment losses are recognized in statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent the asset's carrying amount does not exceed carrying amount that would have been determined net depreciation if no impairment loss has been recognized.



#### 5). Investments:

- a) Investments are classified as Current and Non-Current Investments. Investments that are readily realized and are intended to be held for not more than one year from the date of which such investments are made, are classified as "Current Investments". All other investments are classified as "Long term Investments". The carrying amounts of Current Investments are valued at lower of cost and fair value. However, provision for diminution is made to recognize decline, other than temporary, in the value of Long Term Investments.
- b) Investments made in free-ride equity shares for consideration other than cash are disclosed as long term investment and corresponding amount under the head Capital Reserve.

#### 6). Inventories:

- a) Finished products are valued at weighted average cost or net realizable value whichever is lower. The Closing stocks of finished goods (Barytes Lumps) lying with the Company and Private Mills are valued on weighted average cost prices of A & B grades or any combination of the same. The cost of closing stock does not include Royalty /seigniorage (except on lumps supplied to Private Mills) as the same is liable to be paid in respect of any Mineral removed from the leased area as per Sec.9 of Mines & Minerals (Regulations & Development) Act, 1957 and Head Office overheads.
- b) Spares, HSD oil, Explosives and Packing Materials are valued at lower of cost (weighted average cost method) and net realizable value.
- c) Based on the past experience, sales statistics and the quantity quoted in the earlier tender, and as slow moving item the Closing stock of C+D+Waste grade of Barytes for a quantity of 5,00,000 MTs has been valued from the financial year 2012-13 onwards and the remaining quantity is disclosed in the statement of Closing Stock without value.

#### 7). Cash & Cash equivalents:

Cash and cash equivalent in the Balance sheet includes Cash at Bank,

- a). Cash equivalent are held for the purpose of meeting short - term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Investment in shares are excluded from cash equivalent unless they are, in substance, cash equivalents; for example, preference shares of a company acquired shortly before their specified redemption date ( provided there is only an insignificant risk of failure of the company to repay the amount at maturity )
- b). Cash flows exclude movements between items that constitute cash or cash equivalent because these components are part of the cash management of an enterprises rather than part of its



operating, investing and financing activities. Cash management includes the investment of excess cash in cash equivalents.

## **21. Employees Benefits**

### **Short term Employee Benefits:**

Employee Benefits payable wholly within 12 months of receiving employee services are classified as short term employees benefits. These benefits include salary, wages, bonus and Ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees

### **Defined contribution plans:**

A retirement benefit in the form of superannuation is a defined contribution scheme and the contribution towards defined contribution scheme is charged to the Statement of Profit and Loss of the year when the contribution to the Fund is due. There is no obligation other than the contribution payable to the Fund. Retirement benefit in the form of Provident Fund is a defined benefit.

### **Defined benefit plans:**

The Company's gratuity benefit scheme and Leave encashment fund scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. There is a Trust by LIC for each of the purpose.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

### **Compensated absences:**

The employees can carry - forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on superannuation from employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized within twelve months after the end of such period, the benefit is classified as a long - term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. There is a trust by LIC for the purpose.





#### Termination benefits

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### 9). Recognition of Revenue & Expenditure:

- a) Revenue/Income and Cost/Expenditure are generally accounted on accrual, as they are earned or incurred except to the extent mentioned per (i) hereunder.
- b) Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- c) Income from services rendered is accounted as per contractual terms with the parties concerned.
- d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- e) Dividend Income is accounted for when the right to receive is established.
- f) Consideration amount from Raising cum Sale contracts reduced to the extent of sales made, if any, i.e., on the total consideration, the sale amount of consideration will be considered as sale the remaining amount will be treated as consideration.
- g) Expenditure related to rehabilitation for the villagers falling within the danger Zone of Mining Project is charged to the revenue expenditure based on the information provided by the appropriate authority
- h) Expenditure incurred towards New Projects is treated as revenue expenditure and charged in the year in which such expenditure incurred as the viability of the Project is uncertain.
- i). All items of Income & Expenditure are accounted for on mercantile basis except in respect of the following:
  - i). Sale of scrap, interest on loan to employees, and other receipts of casual and contingent nature and Insurance Claims are accounted for on actual receipt basis.
  - ii). Interest receivable on consideration as per the terms & conditions of the Agreement, amount due in respect of joint venture Companies and RCSC will be recognized as income, in the year in which the interest received.
  - iii). Expenses on books, periodicals, membership and subscription fees, legal & professional fees (except Statutory Audit Fee, Internal Audit Fee and Cost Audit Fee) advertisements and sponsorships are charged as and when paid

#### 10). Taxation on Income:

Income tax expense comprises current tax ( i.e. amount of tax for the period determined in accordance with the income tax law ) and deferred tax charge or credit ( reflecting the tax effects of timing differences between accounting income and taxable income for the period ). Income tax





expense is recognized in profit or loss except that tax expense related to item recognized directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable rates and tax laws. Deferred tax is recognized in respect of timing difference between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities recognized using in tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset are recognized only to the extent there is reasonable certainty that the asset can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date.

#### 11). Provisions:

A provision is recognized if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

##### Onerous Contracts:

A Contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with contract.

#### 12). Contingent liabilities and Contingent Assets:

A Contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, be probable will not, requires an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of out flow of resources remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which change occurs.



**13). Reserve for bad & doubtful debts**

Reserve for bad and doubtful debts is maintained on trade @ 5.73% on net trade receivables.

**14). Segment Reporting:**

The operations of the Company predominantly comprises of mining of Barytes. This activity constitutes the primary segment and is the only reportable segment.

**15). Earnings per share:**

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax for the year. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.

- 16). The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly provision has to be made in the books of accounts, for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Further the removal of overburden in excess over and above the Ratio of the mining Plan the same will be adjusted the against the provision.



Note 2) NOTES FORMING PART OF ACCOUNTS

	2015-16  (Rupees)	2014-15 (2-6-2014 to 31-3-2015) (Rupees)																																								
<b><u>1). Contingent liabilities not provided for</u></b>																																										
a) (i) Against the cases pending with Money suits and arbitration. (ii) Expenditure towards Project Displaced families	64,16,14,725	47,05,91,252																																								
b) Bank Guarantees furnished to different Departments by giving 100% margin by pledging fixed deposits against  i) on behalf of Subsidiary Companies & Joint Venture companies ii) Others	63,45,00,000  92,16,000 64,93,350	63,45,00,000  129,38,29,000 1,59,99,675																																								
c) i). Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities. ii). Demand raised by service tax authorities which has been disputed and pending before Appellate authorities.	6,87,48,956	11,85,05,000  6,24,82,430																																								
d). As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2014-15, the total demand raised, deposits made and remaining un paid are as follows																																										
<table><tr><th>Assessment year</th><th></th><th>Demand as per the Assessment order</th><th>Deposit made</th><th>Remaining unpaid</th></tr><tr><td>1998-99</td><td>Expl.</td><td>4,40,837</td><td>1,53,370</td><td>2,87,467</td></tr><tr><td>1999-00</td><td>Expl.</td><td>4,28,653</td><td>92,400</td><td>3,36,253</td></tr><tr><td>2000-01</td><td>Expl.</td><td>6,77,565</td><td>1,69,440</td><td>5,08,165</td></tr><tr><td>2002-03</td><td>Expl.</td><td></td><td>4,32,224</td><td></td></tr><tr><td>2003-04</td><td>Expl.</td><td></td><td>50,000</td><td></td></tr><tr><td>2004-05</td><td>Expl.</td><td>3,01,486</td><td>3,01,486</td><td>0</td></tr><tr><td>2005-06</td><td>Expl.</td><td>45,14,683</td><td>45,14,683</td><td></td></tr></table>	Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid	1998-99	Expl.	4,40,837	1,53,370	2,87,467	1999-00	Expl.	4,28,653	92,400	3,36,253	2000-01	Expl.	6,77,565	1,69,440	5,08,165	2002-03	Expl.		4,32,224		2003-04	Expl.		50,000		2004-05	Expl.	3,01,486	3,01,486	0	2005-06	Expl.	45,14,683	45,14,683			
Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid																																						
1998-99	Expl.	4,40,837	1,53,370	2,87,467																																						
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2004-05	Expl.	3,01,486	3,01,486	0																																						
2005-06	Expl.	45,14,683	45,14,683																																							



2006-07	Expl	50,39,440	50,39,440	
2007-08	Expl	31,43,331	31,43,331	
2007-08	Pena lty	7,85,833	3,92,920	3,92,913
2008-09	Expl & Con sult	2,00,94,029	1,00,47,015	1,00,47,014
2008-09	Pena lty	50,23,507	16,74,502	33,49,005
2008-09	Inter est	6,02,821	0	6,02,821
2009-12	Cons idera tion	6,65,88,241	4,35,92,560	2,32,95,681
2009-12	Pena lty	1,67,22,060	83,61,060	83,61,030
Total - A		12,46,62,486	7,79,64,361	4,71,80,349
Less: Share of TSMDC			(3,11,04,064)	
			4,68,60,297	

4,71,80,349 17,35,45,221

e) Capital Commitment towards Chinnakurthy Black Galaxy Granite Project-  
Land towards Consideration of land admeasuring to 266.86 acres for  
Patta land at Chinnakurthy belonging to Animal Husbandry Department,  
Govt. of Andhra Pradesh, for which final value has not yet been  
determined, pending at appropriate authorities.

6,21,56,000 6,21,96,000

f) Dispute towards reimbursement of Service Tax. Collected from  
Barytes Byers of Mangampet during the year 2007-08 & 2008-09  
towards payment to Excavation Contractor on submission of proof of  
payment of service tax.

6,00,00,000 0

g) The Corporation is contributing MRTU Fund as per G.O.RT No.237,  
dt 29-03-1997 and as per the GO, the Corporation has to contribute 10% of  
sales turnover every year. Since in 1997-98, the Income Tax authorities



disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.

The Government of Andhra Pradesh vide G.O.Ms.No.18,dt 13-01-2016 issued a G.O. rechristening of DMKTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government

- i) To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.
- ii) To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16
- iii) It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals. However, the fund has not been utilised over last many years.

The Corporation requested to withdraw the G.O Rt No 237,dt 29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt 13/1/2016. There is no communication received from the Government.

- i). Aggregate till end of the Previous year
- ii). For the year(net off payment)

Total

251,21,92,989

61,90,16,347

313,12,09,336

239,72,17,016

11,49,75,973

251,21,92,989



## II. Assets:

<p>i). The Corporation has opened Post Office Savings Accounts which are pledged with the Assistant Director of Mines and Geology for granting leases, of which copies of pass books of SR Accounts are as follows:</p> <table><thead><tr><th></th><th>Current Year</th><th>Previous Year</th></tr></thead><tbody><tr><td>a). Copies of pass books available -Rs</td><td>39,76,002</td><td>39,80,002</td></tr><tr><td>b). Passbooks not available</td><td>Rs. 66,000</td><td>66,000</td></tr><tr><td></td><td><u>40,42,002</u></td><td><u>40,46,002</u></td></tr></tbody></table> <p>( Refer Note -8 -II - a )</p>		Current Year	Previous Year	a). Copies of pass books available -Rs	39,76,002	39,80,002	b). Passbooks not available	Rs. 66,000	66,000		<u>40,42,002</u>	<u>40,46,002</u>	40,42,002	40,46,002				
	Current Year	Previous Year																
a). Copies of pass books available -Rs	39,76,002	39,80,002																
b). Passbooks not available	Rs. 66,000	66,000																
	<u>40,42,002</u>	<u>40,46,002</u>																
<p>ii) The Corporation obtained National Savings Certificates and pledged with Assistant Director of Mines and Geology for granting leases to the Corporation. Out of the above, the copies of the National Saving Certificates of Rs 1000 are not available. The National Saving Certificates amounting Rs. 1,21,00,000/- have been obtained in the personal name of VC&amp;MD instead of Corporation. However office door number was mentioned in the certificates. Further the department of Mines &amp; Geology (DMG) confirmed vide letter No.4118/S/ 2005, dt.07.10.2013 that the Corporation had paid the amounts in the form of National Savings Certificates towards security deposit at the time of execution of quarry lease deeds duly pledged in the name of Asst Director of Mines and Geology, Hyderabad towards Mine Zones.</p> <p>Further, the Corporation addressed a letter to the General manager Indian post office on 2-5-2014 duly informing that all the National Savings Certificates were issued in the name of the individuals and that since cheques were issued by the A.P.M.D.C. to the postal authorities at the time of purchase of NSC Certificates the Corporation and not the individuals will submit the NSC after its maturity date and requested for remittance of matured amount in favor of M/s. APMDC.</p> <p>Allocation to Two Regions:</p> <table><thead><tr><th></th><th>A.P.</th><th>T.S</th><th>Total</th></tr></thead><tbody><tr><td>Head Office</td><td>70,56,953</td><td>50,43,447</td><td>1,21,00,400</td></tr><tr><td>Branches</td><td><u>21,500</u></td><td><u>0</u></td><td><u>21,500</u></td></tr><tr><td></td><td><u>71,28,453</u></td><td><u>50,43,447</u></td><td><u>1,21,71,900</u></td></tr></tbody></table> <p>(Refer Note - 5 - b )</p>		A.P.	T.S	Total	Head Office	70,56,953	50,43,447	1,21,00,400	Branches	<u>21,500</u>	<u>0</u>	<u>21,500</u>		<u>71,28,453</u>	<u>50,43,447</u>	<u>1,21,71,900</u>	71,28,453	<p>AP: 71,28,453</p> <p>TS: 50,43,447</p> <p><u>1,21,71,900</u></p>
	A.P.	T.S	Total															
Head Office	70,56,953	50,43,447	1,21,00,400															
Branches	<u>21,500</u>	<u>0</u>	<u>21,500</u>															
	<u>71,28,453</u>	<u>50,43,447</u>	<u>1,21,71,900</u>															



iii). Deferred Tax ( Refer Note- 20 )

A	Deferred tax Asset	Figures as at end of 31 <sup>st</sup> March, 2016 (Rupees)		Figures as at end of 31 <sup>st</sup> March, 2015 (Rupees)	
	Provisions				
	Group Leave encashment Premium payable			82,26,818	27,96,295
	Group Gratuity Premium payable			43,09,137	14,64,676
	Bonus Payable	52,87,118	18,29,766	39,56,053	13,44,676
	Bad & Doubtful Debts	2,65,86,048	98,93,059		
	Bad & Doubtful Advances	13,51,98,523	4,67,89,505		
	Reclamation & rehabilitation exp. for Mined out areas	8,03,27,500	2,77,99,741		
	Total Deferred Tax Asset	24,93,99,189	8,63,12,071	1,64,92,048	56,05,647
B	Deferred tax Liability				
	Fixed Assets ( Net Block ) as per Co. Act	15,15,49,835		9,68,73,663	
	Fixed Assets ( Net Block ) as per I T Act	12,35,47,745		6,98,99,853	
	Difference	2,80,02,090	96,90,963	2,69,73,810	91,68,398
	Total Deferred tax Liability		96,90,963		
	Net Deferred tax Asset (Refer Note -20 )		7,66,21,108		1,47,74,095

### III). Liabilities :

i). Other Liabilities include amount collected towards Service Tax from buyers who had paid under protest and the matter is pending with Service Tax Appellate Tribunal, Bangalore. Pending disposal of appeal, a sum of Rs. 2,00,00,00/- has been paid on 10-08-2012 as advance payment ( also refer Note -3-v ( e )	5,21,36,319	5,21,36,339
	35,77,120	22,44,446
	5,57,08,439	5,43,80,585





<p>ii). Amount recovered from contractors toward payment of VAT on the Explosives supplied to the contractor was treated as deemed Second sale by appropriate authorities. The Corporation preferred appeal against the same which has been decided in favor of the company. (also refer Note - 3 - v - (e))</p>	2,06,42,866	1,64,57,678
<p>iii). The Government notifies Miners Contribution to District Mineral Foundation fund and National Mineral Exploration trust fund on 17th September 2015. The miners have to contribution ( 30% ) and (2% ) on the applicable Royalty to the District Mineral foundation and National Mineral Exploration Trust fund, miners who were awarded leases before January 12,2015. Accordingly the District Mineral Foundation Fee for Rs,22,54,071/ and National Mineral Exploration Trust fund Rs.1,50,272 from January 12,2015 the date of coming into force of the MMDR Act. Accordingly the amounts have been adjusted against the Infrastructure Development Fund Rs.11,15,035 and balance amount of Rs. 12,89,308 has been recovered from the Buyers of Barytes.</p> <p>a) District Mineral Foundation Fees</p> <p>b) National Exploration Trust Fund ( Merit )</p> <p>( also refer Note - 3 - v - b</p>	<p>11,99,37,184</p> <p>79,95,819</p>	<p>22,54,071</p> <p>1,50,272</p>
<p>iv) i) Provision has been made for shortfall quantity of overburden from the financial year 2012-13 onwards in the books of accounts under the head of account 'Excavation &amp; Transport charges' of OB shortfall as per the stripping ratio. The aggregate amounts till the end of the period i.e., 31-03-2015</p> <p>ii) The stripping ratio as per the Mining Plan between ROM &amp; Overburden removal is 1 MT: 2.78 CBM. However, for the period from 01/04/2015 to 31/03/2016, the stripping ratio between ROM&amp; Overburden Removal is 1 MT: 0.82 CBM. It indicates that there is a significant shortfall in the quantity of Overburden removal against excavation of ROM. Hence the difference in Overburden removal value has been provided in the books of accounts based on the average rate of Rs.218.48 per CBM.</p> <p>Previous year</p> <p>Current year</p>	<p>1,05,50,74,715</p> <p>1,13,05,89,737</p>	<p>77,25,05,587</p> <p>28,25,69,128</p>



The aggregate amounts till the end of the Financial year as on 31-03-2016 (also include refer Note - 3-iv)	<u>2,18,56,63,952</u>	<u>1,05,40,73,715</u>
<p>v). As per clause 10 of the agreement entered with the joint venture companies, the Corporation has collected 5% consideration amount payable by each joint venture company and the same amount would be spent by a designated committee for infrastructure and other facilities in mining villages and as per clause(11)(5) of the Sale Agreements of Barytes, the Corporation collected @Rs.10/- per MT up to August,2011 and @ 1% of the sale value w.e.f.September,2011 towards Infrastructural development fees. The amounts so collected were shown as other liabilities.</p> <p>i) Aggregate amount at the beginning of the year Less: Expenditure during the year</p> <p>ii) For the current year Aggregate amount at the closing of the year (Refer Note -3 - v - f)</p>	<p>19,23,79,258</p> <p><u>(1,04,26,128)</u></p> <p>18,19,53,130</p> <p><u>74,24,761</u></p> <p><u>18,93,77,891</u></p>	<p>18,16,66,352</p> <p><u>(51,47,094)</u></p> <p>17,65,19,258</p> <p><u>58,60,000</u></p> <p><u>19,23,79,258</u></p>
<p>vi). The Corporation has not recognized the amount recovered from contractor towards penalties and kept the same under Penalty Suspense A/c since the matter was subjudice, at the close of the year</p> <p>i). The amount in subjudice (B Kumarswamy Reddy)</p> <p>ii). Balance amount for Annual review of contract period ( also refer Note - 3 - v - b</p> <p style="text-align: right;">Total</p>	<p>63,42,418</p> <p><u>17,33,53,617</u></p> <p><u>17,96,96,035</u></p>	<p>63,42,418</p> <p><u>16,57,34,941</u></p> <p><u>17,20,77,359</u></p>



## IV). Statement of Profit & Loss Items

i). Corporate Social Responsibility:

a. Gross amount required to be spent by the company during the year is Rs.7,23,6,759.

b. Amount spent during the year on

S. No	Particulars	Paid In cash	Total
1	Construction / Acquisition of any assets		
	ON Purposes other than one above ( Refer Note 17 - Is )	1,11,13,338	1,11,13,338

ii). Impact in the Statement of Profit & Loss due to Changes in the Policies:

New Project expenditure is treated as Revenue expenditure as per the accounting policy, due to this the impact in the Profit and Loss is Rs.4,64,76,624/-.

( refer Note - 17 - (i)- (iv)

Particulars	2015-16
Revenue	7,01,82,68,520
Total Expenditure ( Inclusive of New Project expenses )	2,93,96,35,262
Profit Before Tax ( PBT )	4,07,86,13,258
Less: New Project expenses	(4,64,76,624)
Expenditure after excluding of New Project expenses	2,89,31,28,638
Profit before tax (excluding New Project exp. )	4,12,50,89,882
Effect in P & L Account on the issue of New Project Expenses	(4,64,76,624)



iii). Earnings per Share

Particulars	As on 31 March 2016 Rs.	As on 31 March 2015 Rs.
Profit after tax	2,21,06,94,758	88,84,82,346
Profit available for Equity Shareholders	2,21,06,94,758	88,84,82,346
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic Earnings Per Share	35,373.04	14,089.03
Equity shares used to compute diluted earnings per share	63,062	63,062
Diluted Earnings Per Share	35,373.04	14,089.03

(V). a ) General Items

	2015-16	2014-15
<b>i). Employees Benefits:</b>		
<b>a). <u>Defined Contribution Plan</u></b>		
Employers Contribution to Provident Fund	78,72,741	43,56,501
Employers Contribution to Pension Fund	46,32,697	35,15,808
<b>b). <u>Defined Benefits Plan:</u></b>		
The Employees Gratuity fund scheme and Leave Encashment Fund scheme, which are managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present values of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit separately to build up the final obligation. The Obligation for leave encashment is recognized in the same manner as Gratuity.		



(ii). Valuation Results:			
i) Changes in the Present Value of Obligation			
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)
	2015-16	2014-15	2015-16
Defined Benefit Obligation at the beginning	43,09,137	-	82,26,818
Current Service Cost	16,54,783	-	36,18,784
Interest Cost	-	-	-
Prior Service Cost - Vested benefit	-	1,79,45,045	-
Prior Service Cost - Non Vested benefit	-	-	-
Curtailments	-	-	-
Benefits Paid directly by the Company	-	-	-
Benefits Paid from Fund	(2,03,06,285)	(1,26,35,908)	(1,75,55,977)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-	-
Actuarial Loss / (Gain) on Obligation	6,68,32,751	-	5,27,31,712
Defined Benefit Obligation at the end	5,24,90,386	43,09,137	4,70,21,938



ii) Changes in the Fair Value of Plan Assets				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Fair Value of Plan Assets at the beginning	4,36,36,106	4,65,15,905	4,11,27,445	4,13,62,135
Mortality, Policy Admin Charges, FMC and Other Adjustments	4,80,985	-	3,75,270	-
Expected Return on Plan Assets	30,90,882	39,90,734	27,75,742	36,42,219
Employer Contributions	70,67,186	67,65,316	17,85,316	34,60,033
Employee's Contributions	-	-	-	-
Benefits Paid	(2,03,06,285)	(1,36,35,908)	(1,75,55,377)	(73,36,941)
Net transfer in/(out) (including effect of any business combinations / divestitures)	-	-	-	-
Actuarial Gain / (Loss) on the Plan Assets	3,25,017	-	2,17,113	-
Fair Value of Plan Assets at the end	3,42,93,892	4,36,36,106	2,87,25,510	4,11,27,445
iii) Expenses Recognized in the Profit and Loss Account				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Current Service cost	16,54,783	-	36,18,784	-
Interest Cost on Obligation	-	-	-	-
Past Service Cost	-	1,79,45,045	-	1,55,63,789
Expected Return on Plan Assets	(30,90,882)	(39,90,734)	(27,75,742)	(36,42,219)
Amortization of Prior Service Cost	-	-	-	-
Net Actuarial (Gain) / Loss to be recognized	6,65,07,734	-	5,25,14,599	-
Transfer In / Out	-	-	-	-
Curtailment (Gain) / Loss recognized	-	-	-	-
Settlement (Gain) / Loss recognized	-	-	-	-
Expense recognized in Profit and Loss Account	6,50,71,635	1,39,54,312	5,23,57,652	1,19,21,540



iv) Amount for the Current Period				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Actuarial Loss / (Gain) for the current period - Obligation	6,68,32,751	-	5,27,31,712	-
Actuarial Loss / (Gain) for the current period - Plan Assets	(3,25,017)	-	(2,17,113)	-
Total Actuarial Loss / (Gain) for the current period	6,65,07,734	-	5,25,14,599	-
Actuarial Loss / (Gain) lost recognized in the current period	6,65,07,734	-	5,25,14,599	-
v) Movement in the Liability recognized in the Balance Sheet				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Present Value of Obligations as at the beginning	43,09,137	-	82,26,818	-
Expenses Recognized in P & L Statement	6,50,71,635	1,39,54,312	5,33,57,642	1,19,21,540
Benefits Paid	(2,03,06,285)	(1,36,35,908)	(1,75,55,377)	(73,36,941)
Actual Return on Plan Assets	34,15,900	39,90,734	29,92,855	36,42,219
Acquisition Adjustment	-	-	-	-
Present Value of Obligations as at the end (refer Note -3 - vi- (a & b))	5,24,90,386	43,09,137	4,70,21,938	82,26,818
vi) Major categories of Plan Assets (as percentage of Total Plan Assets)				
Plan assets	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Equities	-	-	-	-
GLTs	-	-	-	-
Bonds	-	-	-	-
Insurance Policies	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%





**Note on Assertion:**

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The amounts for the current annual period and previous four annual periods of:

**(a). Defined Benefit - Gratuity Plan - As per AS - 15**

	2015-16 (Rs)	2014-15 (Rs)	2013-14 (Rs)	2012-13 (Rs)	2011-12 (Rs)
(i). The Present Value of the defined Benefit obligation	5,24,90,386	43,09,137	5,46,69,950	5,77,98,139	6,42,53,388
(ii). The fair Value of Plan of Asset	3,42,93,892	4,36,36,106	5,11,67,561	5,74,10,613	6,01,21,628
Surplus / deficit	1,81,96,494	(3,93,26,968)	35,02,389	23,87,526	41,31,760
II. The experience adjustments arising on					
A. The plan liabilities expressed either as (1) an amount or (2) a percentage of the plan liabilities at the balance sheet date, and	0.74%	0.00%	35,02,389	23,87,526	41,31,760
B. The Plan assets expressed Either as (1) an amount or (2) percentage of the plan asset at the balance sheet date,	3,42,93,892	4,36,36,106	5,11,67,561	5,74,10,613	6,01,21,628



(b). Defined Benefit - Leave Encashment Plan - As per AS - 15

	2015-16	2014-15	2013-14	2012-13	2011-12
(i). The Present Value of the defined benefit obligation	4,70,21,938	82,26,818	5,34,09,664	4,22,79,176	4,61,86,120
(ii). The fair Value of Plan of Asset	2,87,25,510	4,11,27,445	4,54,98,348	3,88,21,605	3,60,48,914
Surplus / deficit	1,82,96,428	(3,29,00,627)	79,41,316	34,57,571	1,01,37,206
(1). The experience adjustments arising on					
A. the plan liabilities expressed either as (1) an amount or (2) a percentage of the plan liabilities at the balance sheet date	(0.53%)	0.00%	79,41,316	34,57,571	1,01,37,206
B. the Plan assets expressed Either as (1) an amount or (2) percentage of the plan asset at the balance sheet date.	2,87,25,510	4,11,27,445	4,54,98,348	3,88,21,605	3,60,48,914
b) <u>Other General Items</u>					
Disclosure in accordance with Sec.22 of Micro, small and medium enterprise development Act, 2006.					



(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowances & deductible expenditure under section 23, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the information available of Companies	Nil	Nil



II).The details in respect of Subsidiary/Joint Venture / Associated Companies holding Investment by the Corporation as on 31<sup>st</sup> March,2016are given below:

Statement showing the Investment in Subsidiary Companies and Joint Venture Companies and Associated Companies.							
	Name of the JV Company	% of Equity Shares	No. of Equity Shares held	Rate per Share	Share amount	Income Rs.	Profit after Tax(+)/Loss (-)
i	<b>Trade Investment In Subsidiary Companies</b>						
1.	M/s Ongole Iron Ore Mining Company(P) Ltd ,	51%	56,100	10	56,1000	Operation are not Commenced	(6,18,647)
2.	M/s.APMDC-SCCL Suliyan Coal Company Ltd.	51%	5,100	10	51,000	Operations are not Commenced	0
3.	M/s Andhra Phosphate(P) Ltd.	50%	1,110	1,000	11,10,000	16,00,633	(17,83,676)
4.	M/s Nuagaon Coal Company Ltd.	50%	59,570	100	59,57,040	Terminated the JV Agreement	0
ii.	<b>Trade investment in Joint Venture Companies</b> <b>Free-ride Equity Shares for Consideration other than Cash</b>						
1	M/s A.P.Granites (Midwest)(P) Ltd.	11%	11,00,000	10	1,10,00,000	77,64,52,436	22,50,978
2	M/s Pallava Red Granites(P) Ltd.,	11%	11,00,000	10	1,10,00,000	13,60,64,683	(7,14,05,534)
3	M/s Gimpex AP Barytes Beneficiation(P) Ltd.,	11%	1,320	10	13,200	0	(8,31,004)
4	M/s Andhra Barytes Corporation (P) Ltd.,	11%	8,52,500	10	85,25,000	16,62,59,118	(50,93,549)
5	M/s Andhra Pradesh Iron	11%	6,350	10	63,500	0	(1,57,652)



	Ore Company Ltd.						
6	M/s Trimex Barite Pvt. Ltd.	11%	4,50,000	10	45,00,000	0	(15,438 )
7	M/s V.V.Minerals	11%	1,100	100	1,10,000	Not in operation +	
8	M/s Alliance A.P.Black Galaxy Granites(P) Ltd.,	11%	11,00,000	10	1,10,00,000	Not in operation. Provision made for diminution in the value of shares.	
iii	Investment in Associated Companies Free-ride Equity Shares for Consideration other than Cash						
1	M/s Andhra Pradesh Tribal Mining(P) Ltd	26%	28,600	10	2,86,000	Not in operation. Provision made Doubtful \ investments in the value of shares.	
2	M/s A.P.Coastal Sand & Metals(P) Ltd.	26%	13000	10	1,30,000	Not in operation.	
3	M/s SRAP Minerals Ltd.	26%	3,25,000	10	32,50,000	Not in operation. Provision made for diminution in the value of shares.	

#### IV) Related Party Disclosures (As - 38)

(i). List of Related parties with whom transactions have taken place and their relationships:

A	Subsidiary Companies:	% of Share holding
1	M/s.Ongole Iron Ore Mining Company ( P ) Ltd	51%
2	M/s.Andhra Phosphate Ltd.,	50%
B	Joint Venture Companies	% of Share holding
1	M/s.A.P. Granites ( Midwest ) (P) Ltd	11%
2	M/s.Pallava Red Granite ( P ) Ltd	11%
3	M/s.Glimpex A.P. Barytes Beneficiation ( P ) Ltd	11%
4	M/s.AndhraBarytes Corporation ( P ) Ltd	11%
5	M/s.Andhra Pradesh Iron Ore Company Ltd	11%
6	M/s.Trimex Barite Private Ltd	11%
C	Associate Companies	% of Shareholding



1	M/s.A.P. Coastal Sands & Metals (P) Ltd	26%
2	M/s.SRAP Minerals (P) Ltd	26%
D	Key Management Personnel:	
1	Sri M. Hari Narayanan, I.A.S.	VC & M.D

**ii) Amounts Revenue from the related parties**

Name of the party	Consideration	Expenses	Revenue	Other income (Dividend)
I.M/s.A.P.Granites (Midwest) P Ltd	12,09,17,574	Nil	12,09,17,574	13,20,000
ii).M/s.Pallava Red Granites	2,75,77,634	Nil	2,75,77,634	

**iii) (a) Amount Due (to) / from related parties:**

Party Name	2015-16	2014-15 (02.06.14 to 31.03.15)
1) M/s.SRAP Minerals	44,95,889	44,95,889
2) M/s.A.P.Granites (Midwest) P Ltd	9,84,87,723	7,80,30,892
3) M/s.Alliance A.P.Black Galaxy Granites (P) Ltd	17,20,665	17,12,980
4) M/s.Pallava Red Granites	3,65,07,467	2,37,58,346
Also refer includes Note 7 - a & b		

**(b) Balance during the year with Related Parties**

S.no	Particulars	Closing Balance as on 31-03-16	Closing Balance as on 31-03-15
1.	Investment in		
	i) Subsidiary Companies	16,71,000	16,71,000
	ii) Joint Venture Companies	3,51,06,700	3,51,06,700
	iii) Associate Companies	33,80,000	33,80,000
2.	Investment deration / provision		
	i) Subsidiary Companies	16,71,000	22,11,210
	ii) Joint Venture Companies	3,52,36,700	3,56,32,700
	iii) Associate Companies	-	-
3.	Key Management personnel Remuneration	10,92,881	8,15,538



IV). Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:

	2015-16	2016-17
M/s.SRAP Minerals	44,95,889	1,10,393

V). Treatment demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.
- In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions
- The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC&TSMDC and the formula for bifurcation was approved.
- The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for this purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.
- As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC -58.32%
  - TSMDC -41.68%
- APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019,  
The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lt. No APMDC/F&A/Demerger/2019- 20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities





Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Ratio		58.32%	41.68%
Share holders Funds			
a) Share capital	6,30,62,000	3,67,77,758	2,62,84,242
b) Reserve & Surplus	1042,81,41,579	608,16,92,169	434,64,49,410
Deferred Govt Grants	18,668	11,004	7,864
Current / Non Current liabilities			
a). Deferred Tax Liability	23,58,465	13,75,457	9,83,008
b). Trade Payables	233,80,03,303	136,85,23,526	97,44,79,777
c). Other Current Liabilities	66,68,27,321	38,88,93,694	27,79,33,627
d). Provisions	10,72,29,568	6,25,36,284	4,46,93,284
Total	1360,56,41,104	793,48,09,892	567,08,31,212

Assets	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Non-Current Assets			
a). Fixed Assets (WDV)	3,44,04,765	2,00,64,859	1,43,39,906
b) Non-Current Investment	4,99,44,310	2,91,27,522	2,08,16,788
c). Loans & Advances	366,00,22,375	213,45,25,049	152,54,97,326
Current Assets			
a). Inventories	13,93,449	8,12,659	5,80,790
b). Trade receivables	1,65,67,636	96,59,329	69,03,307
c). Cash & Bank Balances	4,38,852	2,55,938	1,82,914
d). Fixed Deposits - BG	137,77,71,631	80,06,00,415	57,21,71,216
e). Other Fixed Deposits	816,21,34,483	476,01,56,830	340,19,77,653
f). Other Current Assets	47,54,52,729	24,81,23,740	17,73,28,489
Total	1372,31,24,730	800,33,26,345	571,97,98,387

Necessary adjustments will be made in respect of distribution of Investments of free ride equity shares, corresponding capital reserve, other investments and share Capital in the year in which the distribution of Assets & liabilities will be made, after the approval of the both States on the recommendations of the Expert Committee. The portion of share capital Rs.



2,62,84,242/- will be transferred pertaining to Telangana Region, in the form of equivalent cash.

VI). The figures of last financial year are not comparable to the current financial year as they show the status of 9 months 29 days (i.e. 02.06.2014 to 31.03.2015).

VII). Previous year's figures are rearranged/regrouped wherever necessary.

As per our report of even date attached for and on behalf of the Board

For VENUGOPAL & CHENY

(F.R.No.0046715)

Chartered Accountant

  
(C. VENKATAANKINATH)  
(M.No.029505)  
Partner




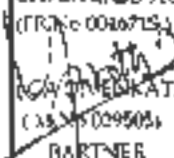

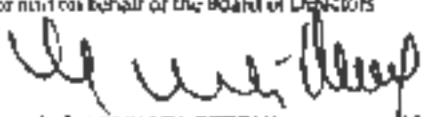
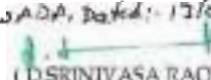

Place: HYDRABAD

Date : 05/06/2021

  
( V.G.VENKATA REDDY )  
VICE-CHAIRMAN &  
MANAGING DIRECTOR (FAC)  
VISA-AWARD, Dated: 13/05/2021

  
( I.MOHAN RAO )  
(Director)  
VISA-AWARD, Dated: 13/05/2021

  
(D.SRINIVASA RAO)  
)DMG (FAC, F&A)

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2016			
	For the year ended 31.03.2016	For the Period from 01.06.14 to 31.03.15	
<b>CASH FLOW FROM OPERATING ACTIVITIES.</b>			
Profit before taxation	3,73,61,70,015		1,34,22,36,158
Adjustment for			
Depreciation	2,60,10,877		2,51,06,851
Interest on F.D. Etc Deposits & Nsc Bonds	(1,06,60,11,447)		(12,05,66,409)
Dividend Income	(13,20,000)		(13,20,000)
Interest expenses	56,35,891		45,20,548
Excess Provision written back	(2,01,24,996)		(2,06,142)
Profit on sale of Fixed Assets	(9,000)		-
Govt Grant Amortised			(18,868)
Capital WIP charged to Welfare expenses	4,314		
Fixed Assets written off	46,042		-
Provision for Bad & Doubtful Advances	13,50,65,998		
Provision for Bad & Doubtful debts	2,01,57,295		
Provision for Bad & Doubtful Investments	62,24,080		
Other written off	1,67,61,620		85,214
Loans & Advances written off	88,308	(87,73,60,858)	(84,34,85,270)
Operating Profit before working capital changes	2,05,91,09,157		49,97,51,939
Trade receivables	(2,59,41,738)		2,10,58,620
Inventory	5,38,96,125		(28,77,46,842)
Current Liabilities	(97,97,05,046)		(11,03,54,073)
Loans & Advances, Deposits	(2,13,32,63,930)		1,61,52,97,750
Other Current Assets	60,99,92,532		2,80,61,25,277
Trade payables	2,63,83,531		(1,65,44,80,128)
Other Long term Liabilities	1,50,29,78,847		1,29,42,05,043
Provisions	16,71,74,365	(16,89,85,304)	66,64,294
Transfer to TSP/Reserve			(4,35,86,71,467)
Taxes paid	(1,89,51,82,143)		(66,13,41,757)
Cash flow from Operating activities	29,19,41,710		(1,02,52,92,404)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets & WIP	(6,84,85,026)		(4,20,79,576)
Dividend received	13,20,000		13,20,000
Interest on F.D. Etc Deposits & NSC Bonds	1,06,60,11,447		1,07,89,05,696
Investment in Investments & NSC	(56,72,000)		56,89,147
Sale of Assets	9,000		6,40,936
Cash flow from Investing activities	99,31,83,581		1,04,13,29,313
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans	(15,00,30,000)		15,00,00,000
Interest on loans	(56,95,891)		
Cash flow from Financing activities	(15,56,15,891)		15,00,00,000
Net increase/(Decrease) in cash and equivalents	1,13,24,29,790		16,82,36,999
Cash & bank balances at beginning of the year	17,81,84,131		99,07,132
1)	1,31,06,13,331		17,81,84,131
increase/(decrease) in cash and equivalents	1,13,24,29,790		16,82,36,999
<div><div><div>For VENUGOPAL &amp; CHENDY CHARTERED ACCOUNTANTS (Firm No 0010715)  V.G. VENKATA REDDY (JACKINATHI) (CA No 009503) PARTNER Place: HYDRABAD Date: 06/04/2016</div><div></div><div><div>For and on behalf of the Board of Directors  V.G. VENKATA REDDY V.C &amp; M.D (FAC) VTS AYAPADA, Dated: 12/05/2016  D. SRINIVASA RAO DMG (FAC, T &amp; A)</div><div> L.MOHAN RAO DIRECTOR VTS AYAPADA, Dated: 12/05/2016</div></div></div></div>			

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Estd: 24th Feb.,1961)

**Form AOC- 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5  
of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries  
or associate companies or Joint ventures**

**Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	S.No	1	2
2	Name of the Subsidiary	M/s Ongole Iron Ore Mining Company Pvt Ltd	M/s Andhra Phosphate Private Limited
3	The date since when subsidiary was acquired	04.06.2010	28.07.1975
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	No	No
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	No	No
6	Share capital	11,00,000	22,20,000
7	Reserves and surplus	(28,12,696)	(37,37,439)
8	Total assets	4,50,91,843	40,65,028
9	Total Liabilities	4,50,91,843	40,65,028
10	Investments	Nil	Nil
11	Turnover	Nil	15,43,300
12	Profit before taxation	(6,18,647)	(19,66,455)
13	Provision for taxation	Nil	1,82,779
14	Profit after taxation	(6,18,647)	(17,83,676)
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (In percentage)	51%	50%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations (Annexure-A)
- Names of subsidiaries which have been liquidated or sold during the year -Nil



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED ( Estd: 24th Feb.,1981)**

**Part B Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Joint Ventures							
	M/s Andhra Baryte Corporation Private Limited	M/s Andhra Pradesh Iron Ore Company Ltd	M/s Gimpex AP Barytes Beneficiation Private Limited	M/s Trimex Barite Private Limited	M/s Andhra Pradesh Granite (MIDWEST) Private Limited	M/s Pallevaru Granite Private Limited	M/s V.V Minerals Private Limited	M/s Alliance Andhra Pradesh Black Galaxy Granite Private Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016		
2. Date on which the Associate or Joint Venture was associated or acquired	15.04.2010	01.06.2010	24.04.2010	05.11.2011	11.04.2007	26.03.2008	30.08.2012	29.03.2010
3. Shares of Associate or Joint Ventures held by the company on the year end								
No.	8,52,500	6,850	1,320	4,50,000	11,00,000	11,00,000	1,100	11,00,000
Amount of Investment in Associates or Joint Venture	85.25,000	68,500	13,200	45,00,000	1,10,00,000	1,10,00,000	1,10,000	1,10,00,000
Extent of Holding (in percentage)	11%	11%	11%	11%	11%	11%	12.36%	11%
4. Description of how there is significant influence								
5. Reason why the associate/joint venture is not consolidated.							Agreement expired in FY 2013-14	JV agreement is not exist in the FY 2015-16
6. Net worth attributable to shareholders as per latest audited Balance Sheet	52,63,731	(50,62,031)	(30,65,419)	38,29,584	2,11,45,664	89,79,976		
7. Profit or Loss for the year	(50,93,549)	(1,57,652)	(3,31,004)	(15,438)	22,50,978	(7,14,05,534)		
i. Considered in Consolidation	(5,60,291)	(17,341)	(91,401)	(1,699)	2,47,608	(78,54,609)		
ii. Not Considered in Consolidation	(45,33,258)	(1,40,311)	(7,39,603)	(13,740)	20,03,370	(6,35,50,925)		





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Estd: 24th Feb.,1961)

Name of Associates or Joint Ventures	Associate Companies		
	M/s SRAP Minerals Private Limited	M/s A.P.Coastal Sand & Metals Pvt. Ltd.	M/s Andhra Pradesh Tribal Mining (P) Ltd
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	
2. Date on which the Associate or Joint Venture was associated or acquired	21.05.2003	09.01.2009	20.03.2002
3. Shares of Associate or Joint Ventures held by the company on the year end			
No.	3,25,000	13,000	28,600
Amount of Investment in Associates or Joint Venture	32,50,000	1,30,000	2,86,000
Extent of Holding (In percentage)	26%	26%	26%
4. Description of how there is significant influence			
5. Reason why the associate/joint venture is not consolidated.	Not Considered in CFS in accordance with Para -18 of AS-23, since the carrying value of Investment is nil because of Accumulated Losses.		Company is Strike off as per the Records of MCA Portal
6. Net worth attributable to shareholding as per latest audited Balance Sheet	(81,06,902)	(27,123)	
7. Profit or Loss for the year	(3,40,792)	(17,001)	
I. Considered in Consolidation		(4,420)	
II. Not Considered in Consolidation	(3,40,792)	(12,581)	

- Names of associates or joint ventures which are yet to commence operations.(Annexure-B)
- Names of associates or joint ventures which have been liquidated or sold during the year -Nil
- All Shares are acquired as free right equity shares

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For VENUGOPAL & CHENY  
(F.R.No.004671S)  
Chartered Accountant



(C.A.D. VENKATA JANKINATH)  
(M.No.029505)  
Partner

*(Signature)*  
(V.G VENKATA REDDY) (FAC)  
VICE-CHAIRMAN &  
MANAGING DIRECTOR

VISAYAWADA. Date: 13/05/21

*(Signature)*  
(I. MOHAN RAO)  
Director

VISAYAWADA. Date: 12/05/21

Place: HYDERABAD  
Date: 05/06/21

*(Signature)*  
(D SRINIVASA RAO)  
JDMG(FAC, F&A)

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Estd: 24th Feb.,1961)

**Annexure-A**

		<b>Subsidiary Companies</b>	
1	Names of subsidiaries which are yet to commence operations / stricken off / dormant	M/s APMDCL SCCL Suliyari Coal Company Ltd	M/s NUAGON COAL COMPANY LTD
2	Present status	Not Commence operations	Dormant Company U/s 455 as per the records of MCA portal.

**Annexure-B**

		<b>Joint Venture Companies</b>					
1	Names of joint ventures which are yet to commence operations / stricken off/dormant	M/s Aswan Mineral Development (P) Ltd.	M/s Arham Minerals Exports (P) Ltd	M/s Isra Minerals Exports (P) Ltd	M/s Margasree Granites (P) Ltd	M/s Ongole Minerals Exports (P) Ltd	M/s RLP Granites (P) Ltd
2	Present status	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC





## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members,  
The Andhra Pradesh Mineral Development Corporation Limited,  
Hyderabad.

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Andhra Pradesh Mineral Development Corporation Limited (herein referred to as "the Holding Company"), and its subsidiaries, (the Holding Company and its subsidiaries, together are referred to as "the Group"), its associates and Jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31, 2016. Consolidated Statement of Profit and Loss for the year ended on that date and a summary of the Significant Accounting Policies and other information annexed thereto (herein after referred to as "the consolidated financial statements")

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013, ( the Act ) that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Group, its associates and Jointly controlled entities. In accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group/ its associates /and jointly owned entities and for preventing and detecting other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company. as aforesaid.



### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting standards and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

- a) As per para 20 of AS-21(Consolidated Financial statements), para 25 of AS-23(Accounting for Investments in consolidated financial statements) and para 34 of AS-27(Financial Reporting of interests in Joint Ventures),"in case the subsidiaries/associates/ jointly owned entities use accounting policies other than those adopted for Consolidated financial statements appropriate adjustments should be made, if not practicable to do so, then the fact should be disclosed together with the proportions of the items in the Consolidated financial statements. Though different accounting policies have been applied while preparing consolidated financial statements such disclosure with regard to different accountings policies applied along with the proportions of the items in



the consolidated financial statements to which the different accounting policies have been applied has not been disclosed. Such non disclosure is not in compliance with the said para 20 of AS-21, para 25 of AS-23 and para 35 of AS-27. In the absence of any details, we are not able to quantify the same.

- b) In terms of S.129(3) r/w s.129(4), of Companies Act, 2013 the Consolidated Cash flow statement is to be prepared and presented. However, such a cash flow statement has not been prepared, which is not in compliance with the said section
- c) While preparation of Consolidated Financial statement of the Group, Preference share capital issued by the Joint Venture companies (i.e, ANDHRA BARYTE CORPORATION PVT LTD & PALLAVA RED GRANITE PRIVATE LTD) is taken into share capital – (i.e, Note-1) of the Consolidated Financial statement which is not compliance with the AS-27. This has resulted in overstatement of the share capital account by ₹70,40,000/-
- d) As per para 14 of AS-21, para 6 of AS-23 & para 37 of AS-27, parent portion of equity Shall be derived from balance sheet as on the date of Investment. In case balance sheet is not available or impracticable to draw the balance sheet on the date of investment, then immediate preceding financial year's balance sheet shall be considered and adjustment for effect of significant transactions are events between the date of financial statement and date of investment.

However the same has not been followed while calculating Capital Reserve/ Goodwill in the following companies as required by the said accounting standards. In the absence of complete information we are not able to quantify the financial impact of the same.

- 1. Andhra Baryte Corporation (P) Ltd
- 2. Andhra Pradesh Iron Ore Company Ltd
- 3. Gimpex AP Barytes Beneficiation (P) Ltd
- 4. Trimex Barite Private Ltd
- 5. Pallava Red Granites ( P ) Ltd
- 6. A.P.Coastal sands & Metals Pvt Ltd

Moreover the Goodwill/capital reserve of Rs.1,43,01,956/- calculated by the parent company for the above said companies is adjusted in Opening Balance of Surplus under Reserve & Surplus instead of showing separately as Goodwill in Assets and Capital Reserve in Reserve & Surplus. The said adjustment in consolidated financial statement is not in line with para 13 of AS-21, para 12 of AS-23 & para 37 of AS-27.



Hence, Surplus is overstated by Rs.1,43,01,956/- consequently capital reserve is understated.

**e) Minority Interest:**

1. Minority interest for the said subsidiaries of Rs.16,49,000/- is added to the Opening Balance of Surplus under Reserve & Surplus instead showing as "Minority Interest" on under liabilities separately in the Consolidated Balance Sheet which is not compliance with para 13(e) of AS-21. Hence, Surplus under Reserve & Surplus is overstated by Rs. 16,49,000/- consequently Minority interest is understated.
2. Minority interest of Rs.16,49,000/- for subsidiaries that is in case of Andhra Phosphate Private Limited and Ongole Iron Ore Mining Company Private Limited is not been calculated properly as required by para 13 of AS-21. In our opinion the same as per the latest available balance sheet of said subsidiaries should have been (Rs.28,27,581)/-.

- f) Capital reserve of Rs.1,61,91,000/- was created by parent company at the time of receipt of free ride equity shares of the following Companies. However while preparing Consolidated Financial Statement of Group, Capital reserve of Rs.1,61,91,000/- is not been eliminated which is not in compliance with AS-21, AS-23 & AS-27. Consequently the capital reserve has been overstated by the said amount. The details are as follows:

S.No	Particulars	Amount in Rs.
1	A.P.Granites(Midwest) P Ltd	1,10,00,000
2	A.P.Coastal sands & Metals Pvt Ltd	1,30,000
3	Ongole Iron Ore Mining Company Pvt Ltd	5,61,000
4	Trimex Barite Private Ltd	45,00,000

- g) ONGOLE IRON ORE MINING COMPANY (P) LTD recognise Intangible assets of Rs.5,61,000/- for the Lease rights given by the parent company against issue of Free ride equity shares. However the same is not been eliminated in the Consolidated Financial statement. Accordingly, Intangible assets is overstated by Rs.5,61,000/- consequently Capital Reserve is understated.
- h) Inter-company transactions between the companies considered in Consolidated Financial Statements have been eliminated to extent information available. However few companies have not reported related party transaction in notes to



accounts accompanying to their financial statements. In the absence of complete information, we cannot comment or quantify the elimination of Inter-company transactions within the group

In the absence of information para-a, para-d & para-h, as stated in paras above, we are not able to quantify the true impact on the financials

**Basis for Disclaimer of Opinion (as stated in the report of standalone financials)**

- a) The company has, during the previous year passed entries for "bifurcation" (based on the recommendations of a Committee and as per G.O. Issued by the Govt. of A.P.), except w.r.t. Share capital. We are informed that such an exception is based on the agreement between the two companies (APMDC & TSMDC) for which no written document was produced for our verification. Hence, we are not able to comment on the appropriateness of not passing entries for bifurcation of share capital.
- b) In the absence of details of total area/ area mined out, we are not able to comment on the appropriateness of the provision for reclamation and rehabilitation expenses of Rs.6,00,73,000.(Note No19)
- c) The amounts transferred to TSMDC. Consequent to bifurcation are subject to confirmation by them.. Hence we are not able to comment on the following amounts (a)Rs.25,80,10,226 (cr) (Demerger adjustment),and Rs 40,75,70,870 (cr)( Interest on FDRs etc allocated to Telangana ) both included in Note 3 (Non current- Other liabilities), (b)Rs.15,00,98,047 (dr)(Advance to Telangana region), Rs.7,70,01,656 (dr) [Telangana Region Advance( Transfer of assets and Liabilities) and Rs. 31,55,58,083(dr) Demerger adjustment on account of FDRs etc) included under Note 9(Non-Current Assets)

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified/Disclaimer Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiaries, its Associates and its jointly owned entities, as at March 31, 2016, and their consolidated profit for the year ended on that date.





### **Emphasis of Matter**

We invite your attention to the matters mentioned below:

- a) We draw attention to Note 21(2)(VI) of Standalone Financial statement of Parent Company, which describes that the figures of last financial year are not comparable to the current financial year as they show the status of 9 months 29 days (i.e. 02.06.2014 to 31.03.2015).
- b) We draw attention to Note 21(2)(V) of Standalone Financial statement of Parent Company, which describes that G.O. has not been issued by Govt. of Telangana for giving finality to the Scheme of Bifurcation. Further, as per S.68(2) of the A.P.re-organisation Act, 2014, "The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in section 53. In terms of the said section, the Govt. of A.P./ Telangana is yet to issue a G.O."

Our opinion is not modified in respect of this matter.

### **Other Matters**

We did not audit the Financial Statements of two subsidiaries, whose Financial Statements reflect total assets (net) of Rs. 491.57 lakhs as at March 31, 2016, total revenues of Rs. 15.43 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report such other auditor.

We did not audit the Financial Statements of Six jointly owned entities, whose Financial Statements reflect total assets (net) of Rs. 1621.10 lakhs as at March 31, 2016, total revenues of Rs. 1049.63 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly owned entities, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid jointly owned entities, is based solely on the report such other auditor.



We did not audit the Financial Statements of one associate entity, whose Financial Statements reflect total assets (net) of Nil as at March 31, 2016, total revenues of (Rs.0.04) lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report such other auditor.

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable.
2. As required by Section 143 (3) of the Act, we report that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) Except to the extent matter stated in basis for Qualified/Disclaimer Opinion, in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014





- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and the reports of other Auditors of its subsidiaries, associates and Joint ventures incorporated in India, none of the Directors of the Holding company, its Subsidiaries, associates and Joint ventures, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
- The holding company has disclosed the impact of pending litigations as per Note 2 to the Consolidated Balance Sheet.
  - There are no foreseeable losses on long-term contracts including derivative contracts by entered by the Holding Company.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

3. In terms of S.143(5) of the Companies Act,2013, we report hereunder on the directions issued by C&AG( Based only on Standalone Financials):

S No.	Directions of C&AG	Our Comment
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available	We have not been shown any documents relating to the Leasehold property (835.431Hect). Hence, we are not able to comment on the same
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved	There are no cases of Waiver/write off of Debts/loans/interest etc., during the year

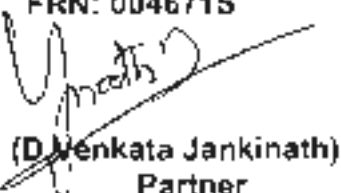


3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities	The company is maintaining proper records for Inventories lying with Third parties. The company has not received any assets as Grants/ gift from Government or other authorities
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Place: Hyderabad  
Date: 05.06.2021



For VENUGOPAL & CHENYO,  
Chartered Accountants,  
FRN: 0046715

  
(D. Venkata Jankinath)  
Partner

Membership No.029505  
UDIN: 21029505AAAADJ9679

**Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **The Andhra Pradesh Mineral Development Corporation Limited** (herein referred to as "the Holding Company") as of 31 March 2016 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

However we have not carried audit for the internal financial controls of its subsidiary companies, its associate companies and jointly controlled companies, since we have not received any reports from the auditors its subsidiary companies, its associate companies and jointly controlled companies

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be



prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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



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

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

### **Opinion**

#### **Qualified Opinion on adequacy ( and therefore operating effectiveness) of Internal Controls Over Financial reporting)**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31,2016;

(1)There is a lack of flow of information via a vis pending litigation with the result that there is no review of such cases and resulting in repetition of amounts stated per earlier years

A "material weakness" is a deficiency, or a combination of deficiencies, in financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim statements will not be prevented or detected on a timely basis

In our,, except for the effects/ possible effects of the material weaknesses described above on the achievement of objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining nature, timing and extent of audit tests applied in our audit of financial





statements of the company and are not able to comment on the effect of such weaknesses on the financial statements of the company

In our opinion to the best of our information and according to the explanations given to us, the Holding Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 except as stated above, based on the internal control over financial reporting criteria established by the Company incorporated in India considering the essential components of internal control stated in the Guidance Note.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to holding Company only.

**Place: Hyderabad**  
**Date: 05.06.2021**



**For VENUGOPAL & CHENYO,**  
**Chartered Accountants,**  
**FRN: 0046715**

  
**(D. Venkata Jankinath)**  
**Partner**  
**Membership No.029505**  
**UDIN: 21029505AAAADJ9679**



# THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

Consolidated Balance Sheet as at 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

		Notes	As at March 31, 2016
I	Equity and liabilities		
1	Shareholders' funds		
a	Share capital	2	1,01,02,000
b	Reserves and surplus	3	9,16,87,02,788
			9,23,88,04,788
2	Minority Interest		0
3	Non-current liabilities		
a	Long-term borrowings	4	1,20,69,452
b	Deferred tax liabilities	5	10,16,867
c	Other Long-term Liabilities	6	2,10,25,61,482
d	Long-term provisions	7	8,18,82,437
			2,19,75,20,639
4	Current liabilities		
a	Short-term borrowings	8	8,10,56,161
b	Trade payables	9	1,14,64,57,885
c	Other current liabilities	10	1,00,51,29,689
d	Short-term provisions	11	23,66,73,221
			2,46,93,16,954
	<b>Total</b>		<b>13,90,56,52,381</b>
II	Assets		
1	Non-current assets		
a	Fixed assets		
	Tangible assets		
	Less: Accumulated depreciation		
	i) Tangible assets	12	31,01,28,510
	ii) Intangible assets		1,56,11,857
	iii) Capital Work in Progress		2,80,94,287
	iv) Lease hold building		-
b	Non-current investments	13	74,91,453
	Other non-current assets		
c	Deferred tax asset		7,97,95,119
d	Long-term loans and advances	14	3,43,42,19,990
e	Other non-current assets	15	30,83,955
f	Cash & Cash equivalent	16	6,09,14,76,287
			9,96,99,02,859
2	Current assets		
a	Inventories	17	63,79,22,362
b	Trade receivables	18	17,50,76,324
c	Cash & Cash equivalent	19	1,31,46,07,723
d	Short-term loans and advances	20	1,57,28,77,546
e	Other current assets	21	23,52,66,467
			3,93,57,50,322
	<b>Total</b>		<b>13,90,56,52,381</b>

Summary of significant accounting policies. The accompanying notes are an integral part of the financial statements.

For VENUGOPAL & CHENYO (FR.No.004671S)

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

(FR.No.004671S)

(CA D.V. ANNINATH) (M.No.029505)  
PARTNER

(V.G. VENKATA REDDY)  
VC & MD

(I. MOHAN RAO)  
DIRECTOR

VISAYANADA, Dated: 13/04/2016

VISAYANADA, Dated: 13/04/2016

Place: HYDARABAD

Date: 05/04/2016



(D. SRINIVASA RAO)  
JDMG (FAC, F&A)





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**" STATEMENT OF CONSOLIDATED PROFIT & LOSS " FOR THE YEAR ENDED 31st MARCH,**  
**2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

		Notes	Year Ended March 31, 2016
	<b>Income</b>		
I	Revenue from operations (gross)		7,06,67,18,303
	Less: Royalty / VAT / CST / other charges		(65,55,58,455)
	Revenue from operations (net)		6,41,11,59,848
II	Other Income	22	72,97,94,690
III	<b>Total revenue (I+II)</b>		<b>7,14,09,54,538</b>
IV	<b>Expenses</b>		
a	Change in inventories of finished goods	23	4,85,82,205
b	Employee benefits expense	24	31,62,19,079
c	Other expenses		
	i) Operational expenses	25	2,06,92,86,934
	ii) Other expenses	26	67,08,63,513
	iii) Finance cost	27	1,07,35,871
	iv) Depreciation and amortization expense	12	4,12,26,380
	v) Prior period items		19,83,12,910
	<b>Total Expenses</b>		<b>3,35,52,26,893</b>
	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,78,57,27,645</b>
V	Exceptional Items		(6,00,73,000)
VI	<b>Profit before extraordinary items and Tax (V-VI)</b>		<b>3,72,56,54,645</b>
VII	Extraordinary Items		-
VIII	<b>Profit before Tax (VII-VIII)</b>		<b>3,72,56,54,645</b>
IX	<b>Tax expenses</b>		
X	a Current tax		1,54,78,69,607
	b Earlier years Tax		2,11,28,578
	c Income Tax adjustments		(63,054)
	d Deferred tax		(6,35,11,095)
	<b>Total tax expense</b>		<b>1,50,54,24,036</b>
XI	<b>Profit/(loss) for the year (IX-X)</b>		<b>2,22,02,30,609</b>
	<b>Earnings per equity share (nominal value of share Rs.1000)</b>		
	Basic		
	Computed on the basis of total profit for the year		35,207.11

Summary of significant accounting policies. The accompanying notes are an integral part of the financial statements.

For VENUGOPAL & CHENYOY (FR.No.004671S)

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

(FR.No.004671S)

(C.A.D.V.JANKINATH) (M.No 029505)

(V.G.VENKATA REDDY)

(J.MOHAN RAO)

PARTNER

VC & MD

DIRECTOR

VISAYAWADA, Dated: 13/05/2016

VISAYAWADA, Dated: 13/05/2016

Place: HYDRABAD

Date: 05/06/2016



(D.SRINIVASA RAO)  
JDMG (FAC, F&A)

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**2. Share capital**

Particulars	As at March 31, 2016
Authorised	
110000 Equity Shares of Rs.1000 each	10,00,00,000
Issued, Subscribed and Paid-up	
63,062 Equity Shares of Rs.1000/- each fully paid up in cash	6,30,62,000
40,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid	40,00,000
2,40,000 Preference Shares of Rs.100/- each	25,40,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>7,01,02,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

At the beginning of the period

Issue of shares during the year from share application money

Outstanding at the end of the period

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

Andhra Baryte Corporation Private Limited has only one class of 40,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid having a par value of Rs.1,000 per share fully subscribed by IBC Limited. At the moment, no terms and rights are attached to preference shares.

Pallava Red Granite Private Limited has only one class of 2,40,000 Preference Shares of Rs.100/- each, fully paid fully subscribed by Pallava Granite Industries (India) Private Limited.

**c. Details of shareholders holding more than 5% shares in the company**

**Equity shares**

Governor of the Andhra Pradesh- Represented by Assistant Secretary to Government ( Mines ) Industries & Commerce department

The portion of Share Capital allocated to Telangana region ( 41.68% ) cash payment will be made while physical distribution of Assets & Liabilities, now adjusted in General Reserve during the year 14-15.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**3. Reserves and Surplus**

Particulars	As at March 31, 2016
<b>a) CAPITAL RESERVE</b>	<b>39,281</b>
Free Ride Equity Shares For Consideration Other Than Cash Allotted By	
i. M/s. Damodhar Minerals Pvt Ltd	1,89,210
18921 Equity Shares @ Rs.10/- each fully paid up	
less: Provision made for demerution in the value of shares	(1,89,210)
ii. M/S. Aswani Mineral Development Pvt Ltd.	
65000 Equity Shares of Rs.10/- each fully paid up	6,50,000
less: Provision made for demerution in the value of shares	(6,50,000)
iii. M/S. SRAP Mineral (P) Ltd	
325000 Equity Shares of Rs.10/- each fully paid up	32,50,000
less: Provision made for demerution in the value of shares	(32,50,000)
iv. Arham Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for demerution in the value of shares	(13,00,000)
v. Isra Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for demerution in the value of shares	(13,00,000)
vi. Margasree Granites (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for demerution in the value of shares	(13,00,000)
vii. Ongole Minerals Exports (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for demerution in the value of shares	(32,50,000)
viii. RLP Granites (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for demerution in the value of shares	(32,50,000)
ix. M/s. A.P. Granites (Midwest) P Ltd	
1100000 Equity shares @ 10/- each fully paid up	1,10,00,000
x. M/s. Alliance A.P. Black Galaxy Grnites (P) Ltd	
1100000 Equity shares @ 10/- each fully paid up	1,10,00,000
less: Provision made for demerution in the value of shares	(1,10,00,000)
xi. M/s. A.P. Coastal sands & Metals Pvt Ltd.,	
13000 Equity shares @ 10/- each fully paid up	1,30,000
xii. M/s Ongole Iron Ore Mining Company Pvt Ltd	
56,100 Equity shares @ 10/- each fully paid up	5,61,000
xiii) M/s. Trimex Barite Private Ltd	
4,50,000 Equity shares @ 10/- each full paid up	45,00,000
xiv M/s. V.V. Minerals (P) Ltd	
1,100 Equity shares @ 100/- each full paid up	1,10,000
less: Provision made for demerution in the value of shares	(1,10,000)
Share of Jointly Controlled Entities	1,74,49,963
<b>Total</b>	<b>3,37,80,244</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**b) RESERVE FOR BAD & DOUBTFUL DEBTS**

Particulars	As at March 31, 2016
As at the commencement of the year	70,94,087
Add: Transferred from: -/ to (-) Statement of profit & loss	9,05,594
<b>Total</b>	<b>79,99,681</b>

**c) GENERAL RESERVE**

Particulars	As at March 31, 2016
As at the commencement of the year	95,83,77,313
Less:	
Depreciation Adjustment with retained earnings	-1,01,631
Interest on FDRs etc., allocated to Telangan region	-
The portion of the Share Capital allotted in Telangan Region	2,62,84,242
Add:	
Transfer from Profit & Loss Account	22,30,69,476
<b>Total</b>	<b>1,20,76,29,380</b>

**d) SURPLUS**

Particulars	As at March 31, 2016
Balance as per Previous Balance Sheet	5,03,05,72,788
Add:	
Transfer from Profit & Loss Account	1,22,02,30,609
Less:	
Distribution to Telangana	-
Reserve for bad and doubtful Debts	(9,05,594)
Depreciation Adjustment with retained earnings	
Transfer to General Reserve	(22,30,69,476)
Interim Dividend	(2,01,65,500)
Tax on Interim Dividend	(41,56,379)
Preliminary expenses written off	(31,52,966)
Transfer to Capital Reserve	
<b>Total</b>	<b>7,91,93,73,483</b>
<b>Grand Total (a+b+c+d)</b>	<b>9,16,87,02,789</b>

APMDC has invested in free ride equity shares of the Joint Ventures, consequently, the Company has recognised Capital Reserve and the Joint Ventures have recognised Intangible Asset (Either as Right to use asset or as Goodwill). The Capital Reserve has been eliminated on Consolidation of these Joint Ventures to the extent of Intangible Asset available in the Joint Venture.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**4. Long term Borrowings**

Particulars	As at March 31, 2016
Advances from	
APMDC	0
SCCL	0
Loans	
Indian rupee term loan from bank	66,16,348
Term Loan From Others	19,56,957
Loan from Corporate	33,22,927
Loan From Directors	1,73,620
<b>Total</b>	<b>1,20,69,852</b>

**5. Deferred Tax Liability / (Asset)**

Break-up of Net deferred tax liability is as under:

Particulars	As at March 31, 2016
Timing difference on account of depreciation	-
Timing difference on account of disallowances	-
Diff B/w Financial Statements & Estimated Taxable income (or)	10,16,867
<b>Net Deferred Tax Liability/(Asset)</b>	<b>10,16,867</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

**Notes to consolidated financial statements for the year ended 31  
March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**6. Other Long-term Liabilities**

Particulars	As at March 31, 2016
Relating to Employees	0
Others	85,12,47,939
Amount payable to Central Govt.	-
Deposits	68,60,937
CST / APVAT Payable	0
Service tax payable	0
Expenses payable against Infrastructure Development	18,93,77,891
<b>Trade Payables</b>	
For Expenses	1,05,50,74,715.00
For Advance from Customers	-
<b>Total</b>	<b>2,10,25,61,482</b>

**7. Long-term provisions**

Particulars	As at March 31, 2016
Reclamation & Rehabilitation of Mined out areas	8,03,27,500
Group Gratuity Premium payable	-
Group Leave Encashment Premium payable	-
Interim dividend - 2013-14	-
Tax on Interim dividend - 2013-14	-
Special Dividend - 2013-14	-
Tax on Special Dividend - 2013-14	-
Interim dividend - 2014-15	-
Tax on Interim dividend - 2014-15	-
Provision for Employee Benefits	15,54,937
<b>Total</b>	<b>8,18,82,437</b>

**8. Short-term borrowings**

Particulars	As at March 31, 2016
Short term Borrowings	4,66,69,864
Cash credit from bank	61,07,617
Loans Repayable on Demand (Secured)	2,06,05,477
Over Draft	11,88,243
From related parties	64,84,959
From Others	-
<b>Total</b>	<b>8,10,56,161</b>

**9. Trade payables**

Particulars	As at March 31, 2016
<b>Trade Payables</b>	
For purchases	15,84,422
For Expenses	1,14,20,73,962
For Advance from Customers	27,99,499
<b>Total</b>	<b>1,14,64,57,883</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

**Notes to consolidated financial statements for the year ended 31  
March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**10. Other current liabilities**

Particulars	As at March 31, 2016
Relating to Employees	1,62,88,263
Audit fee payable	46,000
Others	40,18,36,490
Sundry creditors for expenses	-
Deposits	43,31,84,011
TDS Payable	36,32,538
CST / APVAT Payable	9,11,78,227
Service tax payable	-
Expenses payable against Infrastructure Development	-
Provident Fund & Employee State Insurance	36,27,425
Current maturities of long-term borrowings	82,34,308
Creditors Others (For Capital Works)	69,06,763
Advances received from customers	4,01,91,253
Bonus payable	-
Outstanding Expenses Payable	-
Dividend Payable	4,410
<b>Total</b>	<b>1,00,51,29,689</b>

**11. Short-term provisions**

Particulars	As at March 31, 2016
Group Gratuity Premium payable	5,24,90,386
Group Leave Encashment Premium payable	4,70,21,938
Special Dividend - 2013-14	6,30,62,000
Tax on Special Dividend - 2013-14	1,26,08,690
Interim dividend - 2013-14	1,57,65,500
Tax on Interim dividend - 2013-14	44,65,577
Interim dividend - 2014-15	1,57,65,500
Tax on Interim dividend - 2014-15	31,52,173
Interim dividend - 2015-16	1,64,25,504
Tax on Interim dividend - 2015-16	41,36,379
Provision for Taxation	12,57,691
Salaries & Wages Payable	3,50,143
Provision for Employee Benefits	1,71,739
<b>Total</b>	<b>23,66,73,221</b>





THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED													
Notes to consolidated financial statements for the year ended 31 March 2015													
All amounts are in Indian Rupee unless otherwise stated.													
11. FIXED ASSETS													
Particulars	Original cost				Depreciation and amortisation						Adjusted with Retained Earnings	Net book value	
	Balance as on 01/04/2013	Additions	Deletions	Cost as on 31/03/2014	As on 01/04/2013	For the year	Deletions	Adjusted with Retained Earnings	Adjustment during FY 2013 - 2014	As on 31/03/2014		As on 31/03/2014	As on 31/03/2015
<b>Intangible assets</b>													
Computer Software	33,31,246	3,29,804	-	36,61,050	36,61,050	3,76,616	-	-	-	40,37,666	-	7,48,801	9,08,731
Goodwill on consolidation	1,43,00,954	-	-	1,43,00,954	-	-	-	-	-	-	-	1,43,00,954	1,43,00,954
License rights	5,61,000	-	-	5,61,000	-	-	-	-	-	-	-	5,61,000	5,61,000
<b>Goodwill</b>													
<b>Total</b>	<b>3,81,93,200</b>	<b>3,29,804</b>	<b>-</b>	<b>3,85,23,004</b>	<b>46,61,050</b>	<b>3,76,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,37,666</b>	<b>-</b>	<b>1,54,11,597</b>	<b>1,52,60,679</b>
<b>Tangible assets</b>													
Land	3,94,86,955	5,33,15,000	-	9,28,01,955	5,18,500	12,103	-	-	-	5,30,183	-	9,12,31,072	1,05,68,455
Quarries & Pits & Lumps	7,29,19,217	24,37,375	3,39,685	7,56,16,907	3,61,67,075	26,21,398	-	15,617	1,21,370	3,87,07,466	-	1,56,02,341	1,51,01,106
Foundries & Furnaces	69,89,510	8,92,840	-	78,82,350	41,24,295	5,43,193	-	12	469	46,88,112	-	32,38,337	30,15,734
Libraries	40,000	-	40,000	80,000	18,587	191	-	-	38,779	111	-	1	2,334
Vehicles	3,91,15,100	1,61,242	49,423	4,02,96,919	1,17,62,474	20,21,844	13,480	2	16,679	1,21,38,627	-	40,47,648	27,53,869
Generators	1,33,966	89,659	1,837	2,22,798	1,82,779	30,823	3,242	-	-	2,19,336	-	88,910	39,287
Electrical Installations	19,20,517	1,44,495	29,784	20,35,228	11,88,454	13,30,690	14,241	-	-	21,94,895	-	68,89,130	65,32,862
Water Works	1,43,462	-	48,437	1,91,899	1,41,336	46,240	12,463	-	-	1,29,676	-	1,16,815	1,39,800
Tanks & Pumps (Inland)	1,16,346	37,316	-	1,53,662	3,33,285	15,616	-	-	-	3,48,901	-	32,897	41,507
Plant & Machinery	18,09,31,043	6,43,83,242	8,03,329	24,52,80,956	9,30,11,171	2,20,11,598	28,911	717	6,96,942	11,23,48,619	-	13,24,60,416	6,03,84,587
Machinery & Other Equipment	6,71,34,843	1,21,95,925	1,64,561	7,92,66,007	2,16,66,116	81,23,286	6,41,377	-	5,01,086	2,66,38,319	-	2,15,33,018	5,46,14,884
Office Equipment	1,94,628	31,883	-	2,26,511	1,41,362	10,406	-	-	-	1,76,640	-	54,142	97,845
Power Producing Equip.	3,93,77,870	57,88,839	-	4,51,66,709	1,78,18,124	22,76,964	1,38,644	84,281	1,33,318	1,66,84,615	-	57,82,092	24,58,749
<b>Total</b>	<b>38,87,32,777</b>	<b>14,89,81,437</b>	<b>13,24,285</b>	<b>52,79,28,439</b>	<b>18,16,84,645</b>	<b>3,77,17,466</b>	<b>8,41,849</b>	<b>1,01,639</b>	<b>14,99,272</b>	<b>21,73,96,819</b>	<b>-</b>	<b>11,41,28,548</b>	<b>28,29,83,254</b>
<b>Capital Work</b>													
Work in progress	2,33,57,827	-	-	2,32,51,927	-	-	-	-	-	-	-	2,32,51,927	2,32,51,927
Pre-operative Expenses	31,11,226	-	3,34,845	48,46,071	-	-	-	-	-	-	-	48,28,380	51,78,129
<b>Total</b>	<b>2,64,69,053</b>	<b>-</b>	<b>3,34,845</b>	<b>2,80,94,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,80,80,307</b>	<b>2,84,29,856</b>
<b>Particulars</b>													
	Original cost				Depreciation and amortisation						Adjusted with Retained Earnings	Net book value	
	Balance as on 01/04/2013	Additions	Deletions	Cost as on 31/03/2014	As on 01/04/2013	For the year	Deletions	Adjusted with Retained Earnings	Adjustment during FY 2013 - 2014	As on 31/03/2014		As on 31/03/2014	As on 31/03/2015
Leasehold Building (2nd floor of IDWWSB) (Lease period 15.09.18 to 14.09.19) (23223189)	12,16,692	-	-	12,16,692	-	2,16,692	-	-	-	12,16,692	-	-	12,16,692
Leasehold Building (4th floor of IDWWSB) w/o 04.04.15 (Rs.5754900)	10,13,615	-	-	10,13,615	-	20,23,615	-	-	-	20,13,615	-	-	20,13,615
<b>Total</b>	<b>22,30,307</b>	<b>-</b>	<b>-</b>	<b>22,30,307</b>	<b>-</b>	<b>22,30,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,30,307</b>	<b>-</b>	<b>-</b>	<b>22,30,307</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**13. Non-current investment**

Particulars	As at March 31, 2016
<b>LONG TERM</b>	
<b>(A) Trade Investment in Subsidiary Companies</b>	
<i>Unquoted (as cost)</i>	
i) M/s. APMDCL - SCCL Suliyan Coal Company Ltd	
a) Shares allotted 5100 of Rs. 10/- each	51,000
Contribution of equity share capital of 51% shares as against of	
b) Authorised Capital of Rs. 20.00 Crores, share application money	
M/s. Nuggaon Coal Company Ltd ( 50% of JV Company)	59,57,040
3000 equity shares @ Rs. 100/- each fully paid up	-
<b>(B) FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH</b>	
i) M/s. Damodhara Minerals (P) Ltd.	1,89,210
18921 equity Shares of Rs. 10/- each fully Paid up	
Less: Provision made for diminution in the value of shares	(1,89,210)
<b>(C) Trade Investment in Joint Venture Companies</b>	
<b>FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH</b>	
i) M/S. Aswani Mineral Development (P) Ltd.	
65000 Equity Shares of Rs. 10/- each fully paid up	6,50,000
less: Provision made for deminution in the value of shares	(6,50,000)
ii) M/S. SRAP Mineral (P) Ltd	
325000 Equity Shares of Rs. 10/- each fully paid up	32,50,000
less: Provision made for deminution in the value of shares	(32,50,000)
iii) M/s. Arham Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for deminution in the value of shares	(13,00,000)
iii) M/s. Isra Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for deminution in the value of shares	(13,00,000)
iv) M/s. Margasree Granites (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for deminution in the value of shares	(13,00,000)
v) M/s. Ongloe Minerals Exports (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for deminution in the value of shares	(32,50,000)
vi) M/s. R.I.P Granites (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for deminution in the value of shares	(32,50,000)
viii) M/s. V.V. Minerals (P) Ltd	1,10,000
11,100 Equity shares @ 100/- each fully paid up	
less: Provision made for deminution in the value of shares	(1,10,000)



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**D) OTHERS**

i) M/s. Andhra Phosphate (P) Ltd.	
1110 Equity shares of Rs. 1000 each fully paid up	
ii) M/S. Andhra Pradesh Tribal Mining (P) Ltd	
28600 Equity Shares of Rs. 10/each fully paid up	2,86,000
iii) National Saving Certificates (pledged with ADMG for Execution of Quarry leases)	71,28,453
iv) AP Granite Midwest Pvt Ltd	
1110 Equity shares of Rs. 1000 each fully paid up	13,750
v) PallavaRED Granite Pvt Ltd	
1110 Equity shares of Rs. 1000 each fully paid up	3,49,250
vi) Deposit & Considered	
Less: Provision for Doubtful Investments	(62,94,040)
<b>Total</b>	<b>74,91,453</b>

**14. Long-term loans and advances**

Particulars	As at March 31, 2016
<b>Un-Secured - Capital Advances</b>	
a) Considered good (un secured)	1667093262
b) Considered Doubtful (un secured)	110921032
Sub total	1778014294
(Less: Provision for Doubtful items)	-110921032
	1667093262

**I. LOANS**

**Secured:**

Vehicle Loans to Staff	16,29,951
------------------------	-----------

**Unsecured, considered good:**

Loans to staff	6,36,233
Deposits & Advances	6,70,699
<b>Sub-Total</b>	<b>29,36,883</b>

**II. ADVANCES**

*Unsecured, considered good unless as otherwise stated*

**i) Advances to Staff**

a) Considered good	1,83,48,418
b) Considered Doubtful	-

**ii) Advance To**

M/s Center for Good Governance	-
M/s SCCL	-
Institute Enviro Care	-
Tqalatum	-
M/s Environment protection & Research Institute	-
M/s SCS Ltd	-
AXYKNO Capital Services	-
Banaras Hindu University	-
Dist Collector for Land Acquisition	-
Power Grid Corporation	-
RC Sharma	-





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

iii) Advances to suppliers	
a) Considered good	2,98,114
b) Considered Doubtful	-
iv) Advances to Govt. Depts.	
a) Considered good	72,68,02,609
b) Considered Doubtful	40,07,349
v) Advances to Related Parties	
a) Considered good	7,57,940
b) Considered Doubtful	-
vi) Advance to others	
a) Considered good	59,85,96,101
b) Considered Doubtful	1,89,19,444
Less Provision for Doubtful items	(13,38,47,825)
Sub-Total	3,01,48,33,326
<b>III. DEPOSITS</b>	
With Govt. Departments	
a) Considered good	40,05,76,116
b) Considered Doubtful	5,97,085
With others	
a) Considered good	1,88,10,548
b) Considered Doubtful	7,53,612
Less Provision for Doubtful items	(13,50,697)
Sub-Total	41,93,86,664
Prepaid expenses	-
<b>Total (I+II+III)</b>	<b>3,43,42,19,990</b>
<b>15. Other non-current assets</b>	
<b>Particulars</b>	<b>As at March 31, 2016</b>
Preliminary Expenses	10,46,007
Prepaid Expenses	20,37,948
<b>Total</b>	<b>30,83,955</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**16. Cash and Bank Balance**

Particulars	As at March 31, 2016
(A) Cash on hand	-
(B) In Current Accounts	
i) With Scheduled Banks	61,19,068
ii) Andhra Pragathi Gramena Bank	-
(C) In Post Office Savings Account	
i) Head Office	16,382
ii) Mangalpur Branch	75,020
iii) Chirakuntla Branch	36,06,900
iv) Dwarakaturumala Branch	5,500
v) Vizag Branch	3,38,200
(D) In Fixed Deposits With Maturity:	
i) Scheduled Banks	5,13,46,66,999
ii) Andhra Pragathi Gramena Bank	-
iii) Deccan Gramena Bank	-
(E) In Fixed Deposits kept for BGs with Maturity:	
Scheduled Banks	10,31,21,174
In Fixed Deposits - BGs without Lien	76,71,43,057
i) Sweep Account (AB Somajiguda)	-
ii) Sweep Account (SBI, Khairatabad)	5,63,83,987
<b>Total</b>	<b>6,09,14,76,287</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016  
(All amounts are in Indian Rupees unless otherwise stated)

**17. Inventories**

Particulars	As at March 31, 2016
<b>A. Stores:</b>	
Spares, HSD Oil, Explosives &	0
Packing Material	1,08,43,059
Rough Blocks	27,93,831
Work-in-Progress	45,12,936
<b>B. Stock in Trade</b>	
Finished goods	61,97,72,436
<b>Total</b>	<b>63,79,22,262</b>

**18. Trade receivables**

Particulars	As at March 31, 2016
<b>a) Debts outstanding exceeding 6 months</b>	
Considered good	43,29,178
Considered doubtful	2,85,86,048
Less: Provision made	(2,85,86,048)
<b>b) Debts outstanding below 6 months</b>	
Considered good	17,07,47,143
<b>Total</b>	<b>17,50,76,324</b>

**19. Cash and Bank Balance**

Particulars	As at March 31, 2016
<b>Cash on hand</b>	<b>2,23,824</b>
<b>(A) In Current Accounts</b>	
(i) With Scheduled Banks	15,38,67,762
(ii) Andhra Pragathi Grameena Bank	-
<b>(B) In Post Office Savings Account</b>	
i). Head Office	-
ii). Mangampet Branch	-
iii). Chinnakurthy Branch	-
v). Dwarakaturumala branch	-
vi). Vizag Branch	-



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**(C) In Fixed Deposits With Maturity upto 12 months:**

(i) Scheduled Banks	-
(ii) Andhra Pradesh Grameena Bank	-
(iii) Deccan Grameena Bank	-

**(D) In Fixed Deposits kept for BGs with Maturity :**

Scheduled Banks	-
In Fixed Deposits - BGs without Lien	-
(iv) Sweep Account (AB Somajiguda)	1,15,76,90,171
(v) Sweep Account (SBI, Khairatabad)	-

**(E) In Fixed Deposits With Maturity more than 12 months:**

Scheduled Banks	7,30,080
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**(F) Letter of Credit, Bank Guarantees**

Scheduled Banks	20,95,885
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**Total** **1,31,46,07,723**

**20. Short-term loans and advances**

Particulars	As at March 31, 2016
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**I. LOANS**

**Secured:**

Vehicle Loans to Staff	7,01,288
------------------------	----------

**Unsecured, considered good:**

Loans to staff	3,54,440
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Deposits & Advances

**Sub-Total** **10,55,728**

**II. ADVANCES**

Unsecured, considered good unless as otherwise stated

*i. Advances to Staff*

a) Considered good	2,28,104
b) Considered Doubtful	-

*ii. Advances to suppliers*

a) Considered good	60,21,977
b) Considered Doubtful	-

*iii. Advances to Govt. Depts.*

a) Considered good	1,52,95,92,334
b) Considered Doubtful	-

*iv. Advance to others*

a) Considered good	2,46,25,831
b) Considered Doubtful	-





**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

iv. Advance receivable in cash or kind	
a) Considered good	98,474
b) Considered Doubtful	-
Less Provision for Doubtful items	-
<b>Sub-Total</b>	<b>1,56,05,66,740</b>
Interest accrued but not due	-
<b>III. DEPOSITS</b>	
With Govt. Departments	
a) Considered good	5,10,211
b) Considered Doubtful	-
With others	
a) Considered good	0
b) Considered Doubtful	-
Less Provision for Doubtful items	-
<b>Sub-Total</b>	<b>5,10,211</b>
Prepaid expenses	1,07,44,867
<b>Total (I+II+III)</b>	<b>1,57,28,77,546</b>

**21. Other current assets**

Particulars	As at March 31, 2016
Int. accrued on Fixed Deposits	6,90,73,278
Int. accrued on FDR kept for BG	80,74,975
Interest accrued on FDRs BG with out Lien	9,36,75,778
Int. accrued on Sweep account - SBI, Khairatabad	5,78,57,376
Int. accrued on Elec. Deposits	6,42,038
Int. accrued on Investments - N S C Bonds	45,30,563
Interest Accrued on Postal Savings Account	-
Interest receivable	4,39,382
VAT credit receivable	-
TCS/TDS Receivable	6,98,692
M/s. Andhra Phosphate Ltd	30,240
Pre-Paid Expenses (Royalty)	-
VSEZ Vizag	2,44,195
<b>Total</b>	<b>23,52,66,467</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**22. Other Income**

Particulars	Year Ended March 31, 2016
<b>INTEREST INCOME</b>	
Interest on Fixed Deposits ( TDS Rs.4,63,95,907/- Previous year Rs.6,52,26,723 )	58,51,80,432
Less: Interest on FDRs for Telangana Region	(13,05,15,504)
Interest on Fixed Deposits Kept for BG ( TDS - 1,21,71,168 )	1,60,10,879
Less: Interest on FDRs BG for Telangana Region	(64,62,835)
Interest on FDR BGs without Lien	9,36,75,778
Less: Interest on FDRs BG without Lien for Telangana Region	(3,90,44,064)
Interest on Sweep a/c- SBI, Khairatabad	3,87,86,700
Less: Interest on Sweep - SBI for Telangana Region	(3,40,17,720)
Interest on Sweep a/c- AB Somajiguda	12,94,46,637
Interest on Electricity Deposits ( TDS Rs/-71,338/- Previous year Rs. 60480/- )	7,13,376
Interest on Advances with Dist Collector Kadapa	-
Interest on Investments - NSC Bonds	62,491
Interest on Postal saving bank account	-
Interest on Loans to staff	2,52,433
Interest on delay in payment of Min.Consideration	-
Interest on Deposits with Addl.Chief Judge ( City Civil Court )	-
Interest on Dep on the change of pattern Under co Act 2013	-
Other interest receipts	54,29,906
<b>OTHER RECEIPTS</b>	
Other ( Miscellaneous ) income	1,00,42,477
Rent Receipts	14,71,837
Service Charges From APPL	-
Income on Deferred Govt Grants	-
Forfeiture of Security Deposit	3,36,89,000
Forfeiture of EMD	-
Penalty on ROM / OB	15,93,192
Sale of Tender documents	13,77,545
Profit on sale of Asset	9,000
Sale of Scrap	-
Freight & Insurance on Despatches	1,72,069
Dividend from M/S.Andhra Phosphate Pvt Ltd	-
Dividend from M/S.A.P.Granites ( Mid west ) P Ltd	13,20,000
Excess Provision Written Back	2,06,01,041
<b>Total</b>	<b>72,97,94,690</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**23. Change in inventories of finished goods**

Particulars	Year Ended March 31, 2016
<b>INCREASE/DECREASE IN STOCKS</b>	
<b>FINISHED GOODS</b>	
Balance at the closing of the year	60,50,06,753
Balance at the beginning of the year	65,83,30,168
Jointly Controlled Entities share of (increase) / decrease in stock	(47,41,210)
<b>Total increase(+)/decrease(-) in stocks</b>	<b>4,85,82,205</b>

**24. Employees benefits expense**

Particulars	Year Ended March 31, 2016
Salary	9,000
Salary to VC & MD	18,06,631
Salaries, Wages, Bonus & Other Benefits	17,01,73,065
Contribution To Provident Fund & Other Funds	13,32,96,488
Excess expenditure written back against Gratuity & Leave encashment scheme, on actuarial valuation 2015-16	(2,26,00,406)
Welfare Expenses	3,35,34,301
<b>Total</b>	<b>31,62,19,080</b>

**25. Operational expenses**

Particulars	Year Ended March 31, 2016
ROM Expenses	25,46,37,859
Purchases	1,10,98,615
Electricity charges	11,15,317
Overburden expenses	1,60,52,26,136
Consumption of Packing Material	2,50,98,396
Milling Charges (Powder)	3,83,63,704
Plant & Mining Expenses	1,56,97,213
Royalty, Dead Rent, Cess	1,24,82,007
Production Expenses	-
Insurance	20,465
Power & Fuel	7,65,58,364
Repairs & Main. of Machinery	50,04,038
Hirecharges on Machinery	19,99,597
Processing charges	23,12,207
Consumables & spares	1,96,73,018
<b>Total</b>	<b>2,06,92,86,934</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**26. Other expenses**

Particulars	Year Ended March 31, 2016
Travelling & Conveyance Exp.	1,26,98,252
Petrol & Motor Oils	48,43,651
Printing & Stationery	56,07,048
Postage Telegrams & Telephones	26,36,098
Advertisement Charges	87,10,408
Legal & Professional Charges	1,03,55,467
Consultancy charges	5,15,85,170
Directors Fee	-
Bank Charges & Commission	62,618
Office & General Expenses	12,46,83,242
Subscription & Membership fee	5,09,646
Sales Expenses	4,02,37,952
Audit fee ( Internal & Statutory Audit )	14,33,857
Afforestation	4,18,711
Rates & Taxes	2,71,36,112
Insurance	8,71,910
Security Charges	4,32,000
Franchise Fees to TSMDC Ltd(erstwhile APMDC Ltd)	-
Environmental & Pollution Expenses	1,85,448
Rehabilitation Expenses	65,30,727
Prospecting & Mining Lease Expenses	4,64,76,624
Contribution to MRTU Fund	1,00,00,000
Job work Charges	49,37,529
Freight Expenses	38,66,170
Transportation & Handling Charges	9,83,534
Rents	92,44,398
Bad & Doubtful Debts (Provision)	2,01,37,295
Bad & Doubtful Advances(Provision)	13,50,65,998
Bad & Doubtful Investment (Provision)	62,94,040
Reclamation & Rehabilitation Expenses of Minedout areas	-
Corporation Social Responsibility expenses	1,11,13,338
Service Tax	2,41,20,564
Sales Tax	3,14,987
Miscellaneous Expenses	7,69,876
Communication expenses	49,983
Donations	66,000
Loss on Sales of Assets	30,346
Net Loss on Foreign currency transactions & translation	18,566
Book deficit on assets discarded	5,02,324
Other expenses	43,97,321
Assets written off	1,70,37,327
<b>REPAIRS &amp; MAINTENANCE ON</b>	
Buildings	33,89,656
Vehicles	18,46,122
Others	1,12,53,190
<b>Total</b>	<b>67,08,63,509</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**27. Finance cost**

Particulars	Year Ended March 31, 2016
<b>Interest Expenses</b>	
Finance Charges	1,70,292
Net Loss on Foreign Currency Transactions	5,17,622
Interest - Banks	26,68,921
Bank charges	3,09,673
Interest on TDS	
Interest on Dead rent	
Interest on loan from Govt. A.P	56,95,891
Other Interests	13,73,473
<b>Total</b>	<b>1,07,35,872</b>



**Note 28 Significant Accounting Policies and Notes forming part of the accounts for the year ended 31<sup>st</sup> March 2016**

**Note 1). Significant Accounting Policies:**

**1. Significant accounting Policies**

The accounting policies set out below have been applied consistently to the years presented in these financial statements

**Basis for preparation of accounts**

The financial statements of the Company has been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ( the Act ) read with Rule 7 of the Companies ( Accounts ) Rules, 2014 issued by the Central Government and the relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded nearest rupees.

**Principles of Consolidation**

The Consolidated Financial Statements have been prepared on the following basis:

The Consolidated Financial Statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

The financial statements of the Company and its subsidiary, Joint Venture and Associate companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions resulting in unrealized profits or losses as specified in Accounting Standard 21 - "Consolidated Financial Statements."

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India (Indian GAAP) requires management to make judgment, estimates, assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could defer from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

**2. Current and Non-Current classifications**

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the Operating Cycle (Operating cycle is assumed as 12 months by the company of the Company as per the guidance as set out in the Schedule III of the Companies Act, 2013.

**(I) Assets**

"An asset shall be classified as current when it satisfies the following criteria:

- a). It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle.
- b). It is held primarily for the purpose of being traded.



- c). It is excepted to be realized within twelve months after the reporting date;  
or  
d). It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current."

### (II) Liabilities

A liability is classified as Current when it satisfies the following criteria:

- a). it is excepted to be settled in the Company's normal Operating Cycle.  
b). it is held primarily for the purpose of being traded  
c). It is due to be settled within 12 months after the reporting date, or  
d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current Liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current

### 3. Fixed Assets & Depreciation:

#### a) Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on the written down value method over the estimated useful life of each asset as specified in Schedule II of the Companies Act, 2013 except for the following Joint Ventures where it is provided on straight line method.

- i) Andhra Phosphate Pvt Ltd
- ii) TrimexBarytePvt Ltd
- iii) AP Granite Midwest Pvt Ltd
- iv) Andhra Baryte Corporation Pvt Ltd

The useful lives are considered as prescribed as per Part "C" of schedule II of the companies Act, 2013. Depreciation for the year is recognized in the statement of profit and loss.

To compute Depreciation, the useful lives of fixed assets is as follows:

Asset class	Useful life (in years)
I. Buildings	60
a). Buildings (other than factory building) RCC Frame Structures	
b). Buildings other than factory building)Other than RCC Frame Structures	30
II. Plant & Equipments	
a). Plant & Machinery	15
b). Mining Equipments	15
c). Weighing Machines	15
d). Survey & Drawing equipments	05





III. Furniture & Fixtures	10
IV. Office Equipments	05
V. Vehicles	08
VI. Others:	
a). Data Processing Equipments	03
b). Wells	05
c). Electrical Installations	10
d). Vocational Training Centre Equipments	05
e). First Aid Equipments	05
f). Laboratory equipments	10
VII. Software / Network:	06

#### **b)Intangible Fixed Assets:**

Intangible assets that are acquired by the Company are measured initial at cost And depreciate as per the estimated useful life as specified in Schedule II of the Companies Act, 2013.

c)The cost of interior arrangements in rented building are capitalized and amortized over the lease period

#### **4. Impairment of Assets:**

The carrying amounts of assets in use are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the carrying value is reduced to the lower of the net selling price or the value in use. The value in use is the present value of estimated future net income expected from use of the asset.

Impairment losses are recognized in statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the receivable amount. An impairment loss is reversed only to the extent the asset's carrying amount does not exceed carrying amount that would have been determined net depreciation if no impairment loss has been recognized.

#### **5. Investments:**

a) Investments are classified as Current and Non-Current Investments. Investments that are readily realized and are intended to be held for not more than one year from the date of which such investments are made, are classified as "Current Investments". All other investments are classified as "Long term Investments". The carrying amounts of current Investments are valued at lower of cost and fair value. In respect of the following Joint Ventures the current Investments are valued at cost and net realizable value:

- i) PallavaRED Granite Pvt Ltd
- ii) TrimexBarytePvt Ltd
- iii) Andhra Pradesh Granite (Midwest)
- iv) AP Coastal Sand Metals Pvt Ltd
- v) Andhra Baryte Corporation Pvt Ltd

However, provision for diminution is made to recognize decline, other than temporary, in the value of long-term investments.

b) Investments made in free-ride equity shares for consideration other than cash are disclosed as long-term investment and corresponding amount under the head Capital Reserve.



## 6. Inventories:

- a) Finished products are valued at weighted average cost or net realizable value whichever is lower. The Closing stocks of finished goods (Barytes Lumps) lying with the Company and Private Mills are valued on weighted average cost prices of A & B grades or any combination of the same. The cost of closing stock does not include Royalty /seigniorage(except on lumps supplied to Private Mills) as the same is liable to be paid in respect of any Mineral removed from the leased area as per Sec.9 of Mines & Minerals (Regulations & Development) Act, 1957 and Head Office overheads.
- b) Spares, HSD oil, Explosives and Packing Materials are valued at lower of cost and net realizable value (weighted average cost method).
- c) Based on the past experience, sales statistics and the quantity quoted in the earlier tender, and as slow moving item the Closing stock of C+D+Waste grade of Barytes for a quantity of 5,00,000 MTs has been valued from the financial year 2013-14 onwards and the remaining quantity is disclosed in the statement of Closing Stock without value.

## 7. Cash & Cash equivalents:

Cash and cash equivalent in the Balance sheet comprises cash at Bank.

- a) Cash equivalent are held for the purpose of meeting short - term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Investment in shares are excluded from cash equivalent unless they are in substance, cash equivalents- for example, preference shares of a company acquired shortly before their specified redemption date (provided there is only an insignificant risk of failure of the company to repay the amount at maturity)
- b) Cash flows exclude movements between items that constitute cash or cash equivalent because these components are part of the cash management of an enterprises rather than part of its operating, investing and financing activities. Cash management includes the investment of excess cash in cash equivalents

## 8. Employee Benefits

### Short term Employee Benefits:

Employee Benefits payable Wholly within 12 months of receiving employee services are classified as short term employees benefits. These benefits include salary, wages, bonus and Ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees. In respect of the following Joint ventures, the liability of bonus and ex-gratia is provided on accrual basis:

- i) Andhra Phosphate Pvt Ltd
- ii) AP Granite Midwest Pvt Ltd

### Defined contribution plans:

A retirement benefit in the form of superannuation is a defined contribution scheme and the contribution towards defined contribution scheme is charged to the Statement of Profit and



Loss of the year when the contribution to the Fund is due. There is no obligation other than the contribution payable to the Fund. Retirement benefit in the form of Provident Fund is a defined benefit.

**Defined benefit plans:**

The Company's gratuity benefit scheme and Leave encashment fund scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. There is a Trust by LIC for each of the purpose.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

In respect of the following Joint Ventures the provision of gratuity and leave encashment is provided on cash basis:

- i) Andhra Phosphate Pvt Ltd
- ii) Andhra Baryte Corp Pvt Ltd

**Compensated absences:**

The employees can carry - forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on superannuation from employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and a also not expected to be utilized within twelve months after the end of such period, the benefit is classified as a long - term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of Independent actuarial valuation using the projected unit credit method. There is a trust by LIC for the purpose.

**Termination benefits:**

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**9. Recognition of Revenue & Expenditure:**

- a) Revenue/Income and Cost/Expenditure are generally accounted on accrual, as they are earned or incurred except to the extent mentioned per (i) hereunder.
- b) Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- c) Income from services rendered is accounted as per contractual terms with the parties concerned.
- d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable.
- e) Dividend Income is accounted for when the right to receive is established.



- f) Consideration amount from Raising cum Sale contracts reduced to the extent of sales made, if any. ie on the total consideration, the sale amount of consideration will be considered as sale the remaining amount will be treated as consideration.
- g) Expenditure related to rehabilitation for the villagers falling within the danger Zone of Mining Project is charged to the revenue expenditure based on the information provided by the appropriate authority.
- h) Expenditure incurred towards New Projects is treated as revenue expenditure and charged in the year in which such expenditure incurred as the viability of the Project is uncertain (effect of change note pending).
- i) All items of Income & Expenditure are accounted for on mercantile basis except in respect of the following:
  - i). Sale of scrap, interest on loan to employees, and other receipts of casual and contingent nature and Insurance Claims are accounted for on actual receipt basis
  - ii) Interest receivable on consideration as per the terms & conditions of the Agreement, amount due in respective of Joint venture Companies and RCSC will be recognized as income, in the year in which the interest received.
  - iii). Expenses on books, periodicals, membership and subscription fees, legal & professional fees (except Statutory Audit Fee, Internal Audit Fee and Cost Audit Fee) advertisements and sponsorships are charged as and when paid

#### 10. Taxation on Income:

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expense is recognized in profit or loss except that tax expense related to item recognized directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable rates and tax laws. Deferred tax is recognized in respect of timing difference between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities recognized using in tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset are recognized only to the extent there is reasonable certainty that the asset can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date.

#### 11. Provisions:

A provision is recognized if, as a result of a past event, the company has a present obligation that can be estimate reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.



#### **Onerous Contracts:**

A Contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with contract.

#### **12. Contingent liabilities and Contingent Assets:**

A Contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, be probable will not, requires an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of out flow of resources remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which change occurs.

#### **13. Reserve for bad & doubtful debts**

Reserve for bad and doubtful debts is maintained on trade @ 5.73% on net trade receivables.

#### **14. Segment Reporting:**

The operations of the Company predominantly comprises of mining of Barytes. This activity constitutes the primary segment and is the only reportable segment.

#### **15. Earnings per share:**

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax for the year. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.

#### **16. The Company is account for, for the Short fall quantity of over burden as per the Stripping ratio fixed in the Mining Plan. The excess will be adjusted to the provision of short fall quantity of Over burden, as and when occurs.**





**Note-II) Notes to consolidated financial statements for the year ended 31-March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**1. Foreign currency transactions**

Particulars	As at March 31, 2016
<b>Earnings in Foreign Currency</b>	
FOB Value of Exports	84,07,300
<b>Expenditure in Foreign Currency</b>	
Foreign Travel Expenses	1,21,990
<b>Value of Imports on CIF Basis</b>	
Capital Goods	.
Stores and Spares	7,12,030
<b>Total</b>	<b>92,41,320</b>

**2. Contingent Liabilities and Commitments**

Particulars	As at March 31, 2016																									
<b>Contingent liabilities not provided for</b>																										
a) (i) Against the cases pending with Money suits and arbitration	84,16,14,725																									
(ii) Expenditure towards Project Displaced families	63,45,00,000																									
b) Bank Guarantees furnished to different Departments by giving 100% margin by pledging fixed deposits against																										
i) On behalf of Subsidiary Companies & Joint Venture companies	92,16,000																									
ii) Others	64,93,350																									
c) i) Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	6,87,48,956																									
ii) Demand raised by Service Tax authorities which has been disputed and pending before Appellate authorities.	-																									
d) As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2014-15, the total demand raised, deposits made and remaining un paid are as follows.																										
<table><tr><th>Assessment year</th><th></th><th>Demand as per the Assessment order</th><th>Deposit made</th><th>Remaining unpaid</th></tr><tr><td>1998-99</td><td>Expl.</td><td>4,40,837</td><td>1,53,370</td><td>2,87,467</td></tr><tr><td>1999-00</td><td>Expl.</td><td>4,28,653</td><td>92,400</td><td>3,36,253</td></tr><tr><td>2000-01</td><td>Expl.</td><td>6,77,565</td><td>1,69,440</td><td>5,08,165</td></tr><tr><td>2002-03</td><td>Expl</td><td></td><td>4,32,224</td><td></td></tr></table>	Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid	1998-99	Expl.	4,40,837	1,53,370	2,87,467	1999-00	Expl.	4,28,653	92,400	3,36,253	2000-01	Expl.	6,77,565	1,69,440	5,08,165	2002-03	Expl		4,32,224		
Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid																						
1998-99	Expl.	4,40,837	1,53,370	2,87,467																						
1999-00	Expl.	4,28,653	92,400	3,36,253																						
2000-01	Expl.	6,77,565	1,69,440	5,08,165																						
2002-03	Expl		4,32,224																							





2003-04	Expl		50,000		
2004-05	Expl	3,01,486	3,01,486	0	
2005-06	Expl	45,14,683	45,14,683		
2006-07	Expl	50,39,440	50,39,440		
2007-08	Expl	31,43,331	31,43,331		
2007-08	Penalty	7,85,833	3,92,920	3,92,913	
2008-09	Expl&C onst.	2,00,94,02 9	1,00,47,015	1,00,47,014	
2008-09	Penalty	50,23,507	16,74,502	33,49,005	
2008-09	Interest	6,02,821	0	6,02,821	
2009-12	Conside ration	6,68,88,24 1	4,35,92,560	2,32,95,681	
2009-12	Penalty	1,67,22,06 0	83,61,030	83,61,030	
Total - A		12,46,62,4 86	7,79,64,361	4,71,90,349	
Less: Share of TSMDC			(3,11,04,064)		4,71,80,349
			4,68,60,297		

#### Capital Commitments

e)	Capital Commitment Towards Chimakurthy Black Galaxy Granite Project- Land towards Consideration of land admeasuring to 266.86 acres for Patta land at Chimakurthy belonging to Animal Husbandry Department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	6,21,96,000
f)	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Managampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax	6,00,00,000
g)	The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03- 1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the Income Tax authorities disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre. The Government of Andhra Pradesh vide G.O.Ms.No.18,dt.13-01-2016 issued a	

<p>G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p> <p>i) To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.</p> <p>ii) To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>iii) It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals. However, the fund has not been utilised over last many years.</p> <p>The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>	
i). Aggregate till end of the Previous year	2,51,21,92,989
ii). For the year(net off payment)	61,90,16,347
<b>Total</b>	<b>3,13,12,09,336</b>

### 3. Corporate Social Responsibility

Particulars	As at March 31, 2016
Gross amount required to be spent by the Parent company during the year	7,25,6,759
Construction / Acquisition of any assets	Nil
ON Purposes other than one above	1,11,13,338

### 4. Disclosure in accordance with sec 22 MSMED Act, 2006

Particulars	As at March 31, 2016
a) Principle amount remaining unpaid and interest thereon	-
b) Interest paid in terms of Sec.16	-

c) Interest due and payable for the period of delay in payment	-
d) Interest accrued and remaining unpaid.	-
e) Interest due and payable in succeeding years	-

\*This information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company

5. The Government notifies Miners Contribution to District Mineral Foundation fund and National Mineral Exploration trust fund on 17th September 2015. The miners have to contribution ( 30% ) and (2% ) on the applicable Royalty to the District Mineral foundation and National Mineral Exploration Trust fund, miners who were awarded leases before January 12,2015. Accordingly the District Mineral Foundation Fee for Rs.22,54,071/- and National Mineral Exploration Trust fund Rs.1,50,272 from January 12,2015 the date of coming into force of the MMDR Act. Accordingly the amounts have been adjusted against the Infrastructure Development Fund Rs.11,15,035 and balance amount of Rs. 12,89,308 has been recovered from the Buyers of Barytes.

Particulars	As at March 31, 2016
District Mineral Foundation Fund	11,99,37,184
National Mineral Exploration Trust Fund	79,95,819
<b>Total</b>	<b>12,79,33,003</b>

6. As per clause 10 of the agreement entered with the joint venture companies, the Parent Company has collected 5% consideration amount payable by each joint venture company and the same amount would be spent by a designated committee for infrastructure and other facilities in mining villages and as per clause(11)(5) of the Sale Agreements of Barytes, the Parent Company collected @Rs.10/- per MT upto August,2011 and @ 1% of the sale value w.e.f September,2011 towards infrastructural development fees. The amounts so collected were shown as other liabilities

Particulars	As at March 31, 2016
<b>Aggregate amount at the close of the year</b>	<b>18,93,77,000</b>

#### 7. Earnings Per share

Particulars	Year Ended March 31, 2016
Net Profit after tax available for equity shareholders	2,22,02,30,609
Weighted Average number of equity shares for Basic EPS (Nos)	63,062
Add: Adjustment for outstanding share options (Nos)	-
Weighted Average number of equity shares for Diluted EPS (Nos)	63,062



Face value per share ('000)	
Basic & Diluted EPS * ('000)	35,207.11

8.The milestones in respect of SuliyaBelwar Coal Block are completed in respect of preparation of Mine Plan, preparation of Geographical Report, Socio-impact Assessment, public hearing, submission of Mine Plan to Ministry of Coal and acquisition of private land to a tune of 791 Ha. and expected to start production by April,2016. Hence, as per the 372nd Board Meeting held on 19th April,2014, "the Board desired that so far as the expenditure in the project is concerned, it shall be converted into Equity or Debentures at a later date and the present Authorised Equity Capital of Rs.20.00 crores may be increased accordingly. The increased Paid Up Equity Capital shall always be in the ratio of 51:49 for APMDC and SCCL respectively. The A.G.Auditors pointed out that "As per the agreements entered into, the Company had to subscribe to equity of Rs.10.20 crore (51% of Rs.20.00 crore) in APMDC - SCCL Suliya Coal Company Limited i.e., a Joint Venture(JV) Company. The financing pattern stipulated all expenditure incurred should be reimbursed to the Company after formation of JVC or adjusted against the equity contribution of the Company. Though an amount of Rs.23.23 crore was spent on behalf of JV Company, the entire amount was shown under Long-term loans and Advances. The portion of expenditure (Rs.10.20 crore) incurred by the company in JV should have been treated as equity contribution and reflected as 'Non-current Investments' instead of 'Long term Loans and Advances'. This has resulted in understatement of Non-Current Investments by Rs.10.20 crore and overstatement of 'Long-term Loans & Advances' by a similar amount."

The Corporation entered into agreement with the JV Company only on 22nd April,2013. Further, both the AG and Statutory audits have been completed upto the financial year 2010-11, the same has not been proportioned to Advance to expenditure in Suliya Coal Block at this stage.Accordingly the expenditure incurred from the financial year 2011-12 onwards was transferred to Suliya Coal Block Branch Advances the same will be capitalised and converted into Equity at a later date.(Rs.30025.78 lakhs for the period from 02/04/2014 to 31/3/2015) (Previous year Rs.15291.67 lakhs).

We are claiming 49% of the total due amount along with interest from SCCL and after the Corporation receives the amount along with the portion of Rs.10.77 crores incurred during the financial year 2004-05 to 2010-11, It can be treated as Income in the year in which the Corporation receives the amount from M/s SCCL.Further, the Corporation has paid Rs.1,56,87,000/- to Ministry of Coal, Government of India on 28-04-2014 towards proportionate Deduction of total Bank Guarantee of Rs.5.81 crores in respect of Suliya Coal Block due to delay in progress and slippage in milestones of the Suliya Coal Block and action imposed by Ministry of Coal, Govt. of India . The amount paid in April,2014,provision was made in the financial year 2013-14 and transferred to subsidiary company account.Suliya Coal Block which was earlier allotted to APMDCLtd., has been de-allocated as per the orders of Hon'ble Supreme Court of India on 24th



September, 2014. Now it is re-allocated to APMDC Ltd. as standalone basis vide (1) Order No.F.No.103/9/2016/NA at Madanpur South Coal Mine(Charisghar) an extent of 713.5 Hectares (2) Order No.F.No.103/10/2016/NA at Sullyari Coal Mine(Madhya Pradesh) an extent of 1298 hectares. . Fresh allocation of the same Coal block to APMDC was made on standalone basis and no JV arrangement is permitted. In view of this development and since APMDC is contemplating winding up of JV Company, accounting entries are required to be reviewed and appropriate adjustments and modifications etc., will be made as and when settlement of the issue

Letter No.CRP/CS/408 SUL./452,dt.09.09.2020, it is to submit that APMDC has placed the matter regarding winding up of APMDC-SCCL Sullyari Coal Company Ltd (JV Company) and to examine the request of M/s Singareni Collieries Co.Ltd., for refunding share application money of RS.9.80 crores before its 406<sup>th</sup> Board Meeting held on 1<sup>st</sup> February, 2021. The Board discussed the same and opined to defer the matter till settlement of the issues of Bifurcation of the State.

9. The Corporation has opened Post Office Savings Accounts which are pledged with the Assistant Director of Mines and Geology for granting leases, of which copies of pass books of SB Accounts are as follows:

a) Copies of pass books available-	Rs 39,76,002
b) Non-available of passbook	Rs. 66,000
Total	<u>Rs.40,42,002</u>

Further, the interest on copies available Postal Savings Account has been taken into the books of accounts from the year 2010-11 and the interest will be taken in the books of accounts every year from 2013-14 onwards.

10.(i).Other Liabilities Includes amount collected towards Service Tax from buyers who had paid under protest and the matter is pending with Service Tax Appellate Tribunal, Bangalore. Pending disposal of appeal, a sum of Rs. 200 lakhs has been paid on 10-08-2012 as advance payment.

(ii).Amount recovered from contractors toward payment of VAT on the Explosives supplied to the contractor was treated as deemed second sale by appropriate authorities. The Corporation preferred appeal against the same which is pending before the Sale Tax Appellate Tribunal

Particulars	As at March 31, 2016
Amount Pending before Service Tax Appellate Tribunal (Service Tax)	5,57,08,439
Amount Pending before Sales Tax Appellate Tribunal (VAT)	



11. The Corporation obtained National Savings Certificates and pledged with Assistant Director of Mines and Geology for granting leases to the Corporation. Out of the above, the copies of the National Saving Certificates of Rs.1500 are not available. The National Saving Certificates amounting Rs. 121 lakhs have been obtained in the personal name of VC&MD instead of Corporation. However office door number was mentioned in the certificates. Further the department of Mines & Geology (DMG) confirmed vide letter No 4118/S/2005, dt.07.10.2013 that the Corporation had paid the amounts in the form of National Savings Certificates towards security deposit at the time of execution of quarry lease deeds duly pledged in the name of Asst. Director of Mines and Geology, Hyderabad towards Mine Zones.

Further, the Corporation addressed a letter to the General manager Indian post office on 2-5-2014 duly informing that all the National Savings Certificates were issued in the name of the individuals and that since cheques were issued by the A.P.M.D.C. to the postal authorities at the time of purchase of NSC Certificates the Corporation and not the individuals will submit the NSC after its maturity date and requested for remittance of matured amount in favour of M/s. APMDC.

**Allocation to Two Regions:**

	A.P.	T.S	Total
Head Office	70,56,953	50,43,447	1,21,00,400
Branches	71,500	0	71,500
<b>Total</b>	<b>71,28,453</b>	<b>50,43,447</b>	<b>1,21,71,900</b>

12. The Corporation has not recognized the amount recovered from contractor towards penalties and kept the same under Penalty Suspense A/c since the matter was subjudice, at the close of the year.

Particulars	As at March 31, 2016
a) The amount in subjudice B. Kumaraswamy Reddy	63,42,418
b) Balance amount for review of contract period (VLC- SCKC)	17,33,53,617
<b>Total</b>	<b>17,96,96,035</b>

**13. Related Party Transactions**

i) Following is the list of related parties and relationships.

S.No	Particulars	S.No.	Particulars
A)	Joint Ventures	C)	Associate Enterprises
1	A.P. Granites ( Midwest ) P Ltd	26	Gimpex Pvt Ltd
2	Pallava Red Granites ( P ) Ltd	27	Alliance Granimarmo Pvt Ltd
3	A.P.Coastal sands & Metals Pvt Ltd	28	Bothli Chemicals & Mining Pvt Ltd
4	Gimpex AP Barytes Beneficiation (P) Ltd	29	SRAP Minerals





5	Andhra Baryte Corporation (P) Ltd		
6	Andhra Pradesh Iron Ore Company Ltd	D)	Enterprises in which KMP is interested
7	Trimex Barite Private Ltd	30	Supreme Star Shipping Company Pvt Ltd
8	V.V.Minerals	31	MaharshiBarnum Salts Pvt Ltd
9	NuagaonTelesahi Coal Company Ltd.	32	VirtualmazeSoftsys Pvt Ltd
10	Andhra Pradesh Tribal Mining (P) Ltd		
B)	Key Management Personnel	E)	Holding Company/ promoters of Joint Venture
11	K Sailaja Reddy	33	IBC Limited
12	K Subba Reddy	34	P.C.Ranga Raju & Associates
13	VimaladeviKoneru		
14	Pradeep Koneru		
15	ThatiVenkataswamyChowdary	F)	Companies in which Parent Company is interested
16	GVN Rangaraju	35	Alliance A.P.Black Galaxy Granites ( P ) Ltd
17	K.Raja Mohan Reddy		
18	Murali Mohan Reddy		
19	Ashok Govindarajula		
20	Lokesh Kumar DS		
21	Ilambarithi K		
22	AnandBakki		
23	Dilip Kumar Sodani		
24	Pallava Granite Industries India Pvt Ltd		
25	Pallava Granite Industries Chennai Pvt Ltd		

ii) Following is the list of transactions during the year and closing balances.

S.No	Particulars	As at March 31, 2016
	<i>Transactions during the year:</i>	
1	<b>Reimbursement of expenses incurred</b>	
	i) Gimpex Pvt Ltd	14,06,079
2	<b>Goods purchased from related party</b>	
	i) IBC Ltd ( including VAT)	1,02,03,443
3	<b>Goods sold to related party</b>	
	i) IBC Ltd ( including VAT)	2,17,39,627
	ii) Pallava Granite Industries India Pvt Ltd	30,60,443
	iii) Pallava Granite Industries Chennai Pvt Ltd	1,28,782
4	<b>Advance Received for materials</b>	
	i) IBC Ltd	1,01,72,781
5	<b>Technical Consultancy charges</b>	
	i) P.C Ranga Raju and associates	16,800

6	Managerial Remuneration	4,39,375
7	Loans Taken	
	i) Bothli Chemicals & Mining Pvt Ltd	23,620
8	Transport Charges	
	i) Pallava Granite Industries India Pvt Ltd	56,563
	ii) K. Sailaja Reddy	91,073
9	Service tax charges	
	AP Granite Midwest Pvt Ltd	-1,71,53,732
	PallavaRED Granite Pvt Ltd	-38,90,742
10	Outstanding Balance at the year end :	
	i) Gimpex Pvt Ltd	3,30,34,001
	ii) IBC Ltd	-1,94,28,574
	iii) Maharshi Barium Salts Pvt Ltd	-44,000
	iv) Bothli Chemicals & Mining Pvt Ltd	-23,620
	v) Pallava Red Granites ( P ) Ltd	3,34,23,193

#### 14. Subsidiaries and JV's considered for consolidation

Name of the subsidiary / JV/Associate	Place of incorporation	Proportion of ownership interest and voting power held by the Group
As at 31 March 2016		
<b>Subsidiary</b>		
Ongole Iron Ore mining	India	51%
Andhra Phosphate Pvt Ltd	India	50%
<b>Jointly Controlled Entities</b>		
Andhra Baryte Corporation Pvt Ltd	India	11%
AP Iron Ore	India	11%
GimpexApBarytes Beneficiation Pvt Ltd	India	11%
TrimexBaryte Pvt Ltd	India	11%
AP Granite Midwest Pvt Ltd	India	11%
PallavaRED Granite Pvt Ltd	India	11%
AP Coastal Sand Metals Pvt Ltd	India	26%
<b>Associate</b>		
SRAP Minerals	India	26%





## 15.2 Subsidiaries and JVs not considered for consolidation:

Investment in the following company have been written off, there are no operations during the year in respect of the underlying financial statements and there are no financial statements for the year ended 31 March 2016 and hence these are not considered for consolidated financial statements.

### Subsidiary Companies:

APMDC SCCL Suliyan Coal Company Ltd	The said Company shall not be taken into CFS as the licence has been cancelled by the Supreme Court judgement please refer to the Para 11(b) of AS-21 and Para 29(b)/39(b) of AS-27
Damodhara Minerals Pvt Ltd	Shall not be taken into CFS as the shares transferred to TSMDC during FY 2015-16 as per AOC-4 filed by the said Company with ROC.

### Jointly Controlled Entity:

Nuagaon Coal Company Ltd	The was incorporated on 11.05.2011. As the company is Dormant U/s 455 as per the Records of MCA portal. Hence, The said Company shall not be taken into CFS.
Aswani Mineral Development (P) Ltd.	The was incorporated on 21.09.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS 2600 equity share are in the Nominee instead of APMDC
Arham Minerals Exports (P) Ltd	The was incorporated on 04.05.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
Isra Minerals Exports (P) Ltd	The was incorporated on 08.05.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
Margasree Granites (P) Ltd	The was incorporated on 11.05.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
Ongole Minerals Exports (P) Ltd	The was incorporated on 17.10.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
RLP Granites (P) Ltd	The was incorporated on 17.10.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS
V V. Minerals (P) Ltd	The joint venture agreement expired in FY 2013-14 and later on State Government has rejected the renewal/fresh JV agreement in Oct, 2016. As there is no JV agreement exist as on the date preparation of CFS and even percentage of holding (i.e. 1100 equity shares which 12.36% of total voting power) in the said company is less than 20% of voting power hence it has not been considered in CFS



Alliance AP BGG Pvt Ltd	The JV requested to surrender the land allotted under JV agreement vide letter dated 30-03-2013 and Board of APMDC accepted the matter in 364th Board meeting held on 27-04-2013 and the same was approved by Director of Mines & Geology by order dated 03-03-2015. As there is not JV agreement exist as on the date preparation of CFS and even percentage of holding (i.e. 11,00,000 equity shares which 11% of total voting power) in the said company is less than 20% of voting power hence it has not been considered in CFS
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#### Associates

Andhra Pradesh Tribal Mining (P) Ltd	As the company is strike off and as per the Records of MCA portal the last AGM of company was held on 14.09.2006. Hence, The said Company shall not be taken into CFS.
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15.3 The Company is in the process of reconciling its balances with certain Joint Ventures, while preparation of the consolidated financials, these intercompany balances have been eliminated to the extent of reconciled balances, and in case where balances were not reconciled the least of the balance in either of the related party books has been eliminated and the balance is disclosed under related party transactions.

16. On the first occasion that consolidated financial statements are presented, comparative figures for the previous period is not be presented as per Para 30 of AS-21.

#### 17. Treatment of demerger plan in the Books of accounts

The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana.

Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.

In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.

The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.

The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC & TSMDC and the formula for bifurcation was approved.



- The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for the purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.
- As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC -58.32%
  - TSMDC -41.68%
- APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GoAP vide G.O.Ms.No 19 dated 29.01.2019.

The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government to complete the pending formalities.

Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Ratio		58.32%	41.68%
Share holders Funds			
a) Share capital	6,30,62,000	3,67,77,758	2,62,84,242
b) Reserve & Surplus	1042,81,41,579	608,16,92,169	434,64,49,410
Deferred Govt. Grants	18,868	11,004	7,864
Current / Non Current liabilities			
a). Deferred Tax Liability	23,58,465	13,75,457	9,83,008
b). Trade Payables	233,80,03,303	136,35,23,526	97,44,79,777
c). Other Current Liabilities	66,68,27,321	38,88,93,694	27,79,33,627
d). Provisions	10,72,29,568	6,25,36,284	4,46,93,284
Total	1360,56,41,104	793,48,09,892	567,08,31,212

Assets	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Non-Current Assets			
a). Fixed Assets (WDV)	3,44,04,765	2,00,64,859	1,43,39,906
b). Non-Current Investment	4,99,44,310	2,91,27,522	2,08,16,788
c). Loans & Advances	366,00,22,375	213,45,25,049	152,54,97,326
Current Assets			
a). Inventories	13,93,449	8,12,659	5,80,790

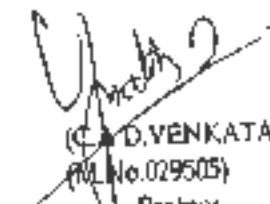


b). Trade receivables	1,65,62,636	96,59,329	69,03,307
c). Cash & Bank Balances	4,38,852	2,58,938	1,82,914
d). Fixed Deposits - BG	137,27,71,631	80,06,00,415	57,21,71,216
e). Other Fixed Deposits	816,21,34,483	476,01,56,830	340,19,77,653
f). Other Current Assets	42,54,52,229	24,81,23,740	17,73,28,489
Total	1372,31,24,730	800,33,26,343	571,97,98,387

Necessary adjustments will be made in respect of distribution of investments of free ride equity shares, corresponding capital reserve, other investments and share Capital in the year in which the distribution of Assets & liabilities will be made, after the approval of the both States on the recommendations of the Expert Committee. The portion of share capital Rs. 2,62,84,242/- will be transferred pertaining to Telangana Region, in the form of equivalent cash

As per our report of even date attached for and on behalf of the Board

For VENUGOPAL & CHENY  
(F.R.No.004671S)  
Chartered Accountant


  
(D.VENKATA JANKINATH)  
(F.R.No.029505)  
Partner



Place: HYDERABAD  
Date : 05/05/2021

  
(V.G.VENKATA REDDY) (FAC)  
VICE-CHAIRMAN &  
MANAGING DIRECTOR  
VIZAYAWADA, Dated: 12/05/2021

  
(I.MOHAN RAO)  
(Director)  
VIZAYAWADA, Dated: 12/05/2021

  
(D.SRINIVASA RAO)  
JDMG (FAC, F&A)

STATEMENT OF FINANCIAL RESULTS FROM 2005-2006 TO 2015-16					
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
I) Sources of Funds					
a). Share Capital	630.62	630.62	630.62	630.62	630.62
b). Loan From Bank	183.5	1,213.74	103.11	3,389.78	0
c). Loan From Government	0	0	0	0	0
TOTAL	814.2	1,844.36	733.73	4,020.40	630.62
II) Sales	5,895.24	9,008.41	9,318.09	15,647.03	21,699.84
III) INVENTORIES					
a. Stock (Finished Goods and Work-in-Progress)	224.53	705.87	435.13	905.43	1,571.31
b. Stores & Spares	32.21	66.56	88.85	84.02	70.12
IV) Debtors	651.68	967.05	927.48	2,249.25	2,278.36
V) Fixed Assets					
Gross Block	1,180.53	1,296.38	1,484.14	1,605.03	1,628.01
Less: Depreciation	-519.97	-571.16	-649.08	-739.95	-791.83
Net Block	660.57	725.21	835.06	865.08	836.18
Capital Work-in-Progress	0	4.71	0.14	3.59	8.39
TOTAL	660.57	729.92	835.2	868.67	844.57
VI) Loans & Advances	1,867.24	3,574.74	3,944.35	7,778.87	5,293.48
VII) Other Current Assets (including Cash and Bank Balances	6,955.57	7,778.61	11,817.26	15,062.82	17,377.68
VIII) Current Liabilities and Provisions	4,485.52	5,882.91	6,701.40	7,974.04	6,660.86
IX) Profit (+) Loss (-) for the year	1,972.47	3,394.62	5,552.70	6,669.78	8,383.59
X) Profit Percentage %	33.46	37.68	59.59	42.63	38.63
XI) Dividend paid	100.9	100.9	100.9	100.9	100.9
XII) Dividend %	16	16	16	16	16

Rupees in Lakhs					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
630.62	630.62	630.62	630.62	630.62	630.62
0	0	0	0	0	
0	0	0	0	0	
630.62	630.62	630.62	630.62	630.62	630.62
23,416.59	38,241.10	65,639.90	51,431.01	19,994.11	67950.38
1,783.65	427.31	516.13	3,056.68	7,152.43	6034.94
74.48	198.81	142.04	118.04	86.07	48.75
869.49	900.87	1,145.45	1,751.93	1,238.06	1396.1
1,933.41	2,429.79	2,559.47	2,823.44	2,702.91	3,992.99
-898.67	-1,045.05	-1,070.86	-1,271.62	-1,432.97	-1,652.95
1,034.74	1,384.74	1,488.61	1,551.82	1,269.93	2340.04
3.87	0.61	0.03	115.74	614.59	0
1,038.61	1,385.35	1,488.64	1,667.56	1,884.52	2340.04
5,465.24	7,740.11	33,467.31	28,271.79	26,009.10	49783.07
27,862.53	50,064.90	62,113.52	1,07,851.19	63,172.85	15,444.98
10,203.75	18,552.90	24,367.60	40,469.44	37,777.21	44,849.34
9,705.23	23,053.43	48,124.81	43,502.50	17,147.83	37364.7
41.45	60.28	73.32	84.58	85.76	54.99
157.65	157.65	157.65	157.66	157.66	157.66
25	25	25	25	25	25



The Andhra Pradesh Mineral Development  
Corporation Limited

### **MINES**

#### **BARYTES MINES**

Mangampet Barytes Mining & Pulverising Unit  
Mangampet, YSR Kadapa District.

#### **CLAY MINES**

Sri Venkateswara Clay Mines,  
Dwarakatirumala,  
West Godavari District.

#### **BLACK GRANITE MINES**

Warangal District  
Choutapally  
Nalgonda District  
Venkataramapuram.

#### **LIMESTONE MINES**

Piduguralla  
Guntur District  
Devapur  
Adilabad District

#### **SEMI-PRECIOUS STONES PROJECT**

Visakhapatnam.



The Andhra Pradesh Mineral Development  
Corporation Limited

## **C O N T E N T S**

**BOARD OF DIRECTORS**

**NOTICE TO SHAREHOLDERS**

**DIRECTOR'S REPORT**

**COMMENTS OF C&AG**

**STATUTORY AUDITORS REPORT ON STANDALONE AS ON 01.04.2016 TO 31.03.2017**

**STANDALONE BALANCE SHEET AS ON 01.04.2016 TO 31.03.2017**

**STANDALONE PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2016 TO 31.03.2017**

**CASH FLOW STATEMENT 01.04.2016 TO 31.03.2017**

**SCHEDULES 1-19 AS ON 01.04.2016 TO 31.03.2017**

**STATUTORY AUDITORS REPORT ON CONSOLIDATION AS ON 01.04.2016 TO 31.03.2017**

**CONSOLIDATED BALANCE SHEET AS ON 01.04.2016 TO 31.03.2017**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2016 TO 31.03.2017**

**CASH FLOW STATEMENT 01.04.2016 TO 31.03.2017**

**SCHEDULES 1-27 OF 01.04.2016 TO 31.03.2017**

**STATEMENT OF FINANCIAL RESULTS FROM 2006-07 TO 2016-17**

## BOARD OF DIRECTORS

### CHAIRMAN:

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| 1) Sri M. Girija Shankar, IAS.,     | (from 14-10-2015 to 11-09-2016) |
| 2) Sri B. Sreedhar, IAS.,           | (from 12-09-2016 to 08-02-2019) |
| 3) Sri I. Srinivas Srinaresh, IAS., | (from 08-02-2019 to 14-05-2019) |
| 4) Sri Anil Chandra Punetha, IAS.,  | (from 15-05-2019 to 31-05-2019) |
| 5) Sri K. Ramgopal, IAS.,           | (from 19-08-2019 to 01-05-2020) |
| 6) Sri Gopal Krishna Dwivedi, IAS., | (from 01-05-2020 to 25-07-2021) |
| 7) Smt G. Shameem Aslam             | (from 26-07-2021 to 25-07-2023) |

### VICE-CHAIRMAN & MANAGING DIRECTOR:

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1) Sri Ch. Venkaiah Chowdary, IRS., | (from 24-08-2015 to 26.06.2019)    |
| 2) Sri Y. Bhanu Prakash, IAS.,      | (from 27-06-2019 to 13-09-2019)    |
| 3) Sri M. Madhusudhan Reddy, IRAS., | (from 16-09-2019 to 20-05-2020)    |
| 4) Sri V.G. Venkata Reddy           | (from 20-05-2020 to 01-06-2020)    |
| 5) Sri Hari Narayanan. M, IAS.,     | (from 02-06-2020 to 01-02-2021)    |
| 6) Sri V.G.Venkata Reddy            | (from 04-02-2021 to Till the Date) |

### DIRECTORS:

- |                            |                                 |
|----------------------------|---------------------------------|
| 1) Sri J C Sharma          | (from 21-10-2014 to 30-04-2017) |
| 2) Smt Hema Munivenkatappa | (from 14-10-2015 to 08-09-2017) |
| 3) Sri V. Radha Krishna    | (from 14-10-2015 to 31-07-2017) |
| 4) Sri Karikal Valaven     | (from 30-04-2017 to 16-07-2017) |
| 5) Sri Durga Prasad Sahu   | (from 02-08-2017 to 30-08-2017) |
| 6) Dr. Manmohan Singh      | (from 16-07-2017 to 31-10-2019) |
| 7) Dr. K V V Satyanarayana | (from 08-09-2017 Till the date) |



8) Smt D. Rama Devi	(from 30-08-2017 to 28-08-2020)
9) Sri I. Srinivas Srinaresh	(from 08-02-2019 to 20-07-2019)
10) Sri K. Ramgopal	(from 20-07-2019 to 03-03-2020)
11) Smt V. Usharani	(from 31-10-2019 to 22-12-2021)
17) Sri V.G. Venkata Reddy	(from 03-03-2020 to Till the date)
18) Sri I. Mohan Rao	(from 29-08-2020 to 03-03-2022)
19) Smt Mala Jayasudha	(from 20-09-2021 to 20-09-2023)
20) Sri C. Harish Reddy	(from 20-09-2021 to 20-09-2023)
21) Smt Marty Lakshmi	(from 20-09-2021 to 20-09-2023)
22) Smt G. Sujatha	(from 20-09-2021 to 20-09-2023)
23) Sri M.Balamuni Reddy	(from 20-09-2021 to 20-09-2023)
24) Smt ES.Salma	(from 20-09-2021 to 20-09-2023)
25) Sri Lingareddy Veera Prathap Reddy	(from 20-09-2021 to 20-09-2023)
26) Sri Bandireddy Bapireddy	(from 20-09-2021 to 20-09-2023)
27) Sri Bathula Rama Rao	(from 20-09-2021 to 20-09-2023)
28) Smt Chilluru Manjusha	(from 20-09-2021 to 20-09-2023)
29) Sri K V Ramana Reddy	(from 20-09-2021 to 20-09-2023)
30) Smt D. Rama Devi	(from 03-03-2022 to Till the Date)
31) Sri Bipin Kumar	(from 09-12-2022 to Till the Date)
32) Sri Raman Narayanan	(from 01-02-2023 to Till the Date)
31) Sri D Mallikarjuna Reddy	(from 06-04-2023 to Till the Date)

**COMPANY SECRETARY / GENERAL MANAGER (COMPANY LAW AFFAIRS):**

- 1) Sri T. Subba Rao  
Company Secretary Retainership

2) Smt M. Prameela Rani  
B.Com., LLB., ICSI  
General Manager (CLA) (from 24-04-2016 to 30-11-2019)

3) Sri R.Manikiran  
Company Secretary on Retainership

**EXECUTIVE DIRECTOR:**

1) Sri H.D. Nagaraja  
Executive Director (from 31-07-2010 to 30-09-2020)

2) Sri R.Kedarnath Reddy  
Executive Director (from 07-10-2021 to Till the date)

**GENERAL MANAGER (F&A):**

1) Sri B. Srinivasa Murthy,  
B.Com., F.C.A., (from 10-03-2008 to 30-04-2021)

2) Sri A. Nageswara Reddy (from 30-12-2021 to Till the Date)

**AUDITORS:**

M/s. Srirama Murthy & Co.,  
Chartered Accountants,  
Hyderabad.

**BANKERS:**

- 1) Union Bank of India
- 2) State Bank of India
- 3) ICICI Bank

**REGISTERED & CORPORATE OFFICE:**

1) D.No.6-1-67/19/1 & 67/20, Flat No.302,  
Super Classic Apartment, Saifabad,  
Lakdikapool, Hyderabad,  
Telangana – 500004, India.

2) Door No.294/1D,  
100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137,  
Andhra Pradesh.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LTD**  
**(A State Government of A.P. Undertaking)**  
Reg. Office: D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic  
Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Corp off: No.294/1D, 100 Feet Kanur to Enikepadu Road, Vijayawada – 521 137,  
A.P  
Tel: 0866 2429999, Fax: +91 40-23393152

### **SHORTER NOTICE**

**To**  
**THE SHARE HOLDERS**

Notice is hereby given that Adjourned 56<sup>th</sup> Annual General Meeting of the A.P. Mineral Development Corporation Limited will be held on **22<sup>nd</sup> August, 2023 at 12.30 PM** at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh - 521137 to transact the following business:-

### **ORDINARY BUSINESS:**

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

By order of the Board of Directors

Sd/-

Vice- Chairman & Managing Director

Date:

Place: Vijayawada

### **Note:**

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and that the proxy need not be a member of the Company.
- 2) Consent of the Shareholders to convene the Adjourned 56<sup>th</sup> Annual General Meeting of the Company with a shorter notice required under the provisions of the Sec.101(1) of the Companies Act, 2013 is being obtained.

**FORM No. MGT – 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U13209TG1961SGC000871  
Name of the Company : The Andhra Pradesh Mineral Development Corporation Limited.  
Registered Office : D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.

Name of the Member:

Registered Address:

E-Mail Id:

Folio No / Client Id:

DP ID:

I /We, being the member (s) of \_\_\_\_\_shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

2. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

3. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Adjourned 56<sup>th</sup> Annual General Meeting of the Company, to held on 22<sup>nd</sup> August, 2023 at the Corporate Office of the Company.

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

**THE COMPANIES ACT, 2013**  
**CONSENT of Shareholders for Shorter Notice**  
**{Pursuant to Section. 101(1)}**

To,  
The Board of Directors,  
A.P. Mineral Development Corporation Limited.

We, the following members holding equity shares as mentioned below hereby give consent, pursuant to Sec. 101 (1) of the Companies Act, 2013, to hold the Adjourned 56<sup>th</sup> Annual General Body Meeting on 22<sup>nd</sup> August, 2023 at 12.30 PM with shorter notice at its Corporate Office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh-521137.

1. Sri V.G. Venkata Reddy,  
Director of Mines & Geology  
Chairman & Shareholder  
(Holding one equity share of Rs.1000/-) \_\_\_\_\_
2. Sri V.G. Venkata Reddy.,  
Vice-Chairman & Managing Director (FAC)  
& Shareholder  
(Holding one equity share of Rs.1000/-) \_\_\_\_\_
3. Governor of Andhra Pradesh  
Represented by Sri Ramesh Chandra Sahu  
Asst. Secretary to Govt.,  
Industries & Commerce Dept.,  
(Holding 63,059 equity share of Rs.1,000/-) \_\_\_\_\_
4. Sri V. Sekhar Babu  
Section Officer,  
Industries & Commerce Department  
(Holding one equity share of Rs. 1,000/-) \_\_\_\_\_



## **The Andhra Pradesh Mineral Development Corporation Limited**

(A State Government of A.P. Undertaking)

Door No.294/1D, 100 Feet Tadigaadapa to Enikeparlu Road, Kanur, Vijayawada - 521 137.

**Andhra Pradesh.** Tel: 0866 - 2429999 Fax: 0866 - 2429977

**E-Mail:** info\_ho@apmdc.in : **Website:** [www.apmdc.ap.gov.in](http://www.apmdc.ap.gov.in)

CIN: U13209TG1961SGC000871

### **DIRECTOR'S REPORT**

**To,**

**The Members,**

**The Andhra Pradesh Mineral Development Corporation Limited.**

Your Director have pleasure in presenting their 56<sup>th</sup> Annual Report on the business and operation of the company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2017.

#### **FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial results for the year ended 31<sup>st</sup> March, 2017 and the corresponding figures for the last year are as under:-

<b>Particulars</b>	<b>(Rs. In '000's)</b>	
	<b>2016-17</b>	<b>2015-16</b>
Profit Before interest, Depreciation & Tax	52,63,599	41,97,132
Less: Finance Cost	76,447	8,732
Less: Depreciation & Amortization Expense	44,432	37,527
Profit before Tax	51,42,720	41,50,873
Provision for Tax		
Income Tax (JV)	12,42,941	15,67,623
Deferred Tax	7,24,236	4,11,827
Profit after Tax	31,75,543	29,95,078
Less: Proposed Dividend & Tax thereon	-	-
Balance carried to Balance Sheet	31,75,543	29,95,078

#### **RESERVE & SURPLUS:**

Out of the total profit of Rs.31,75,543/-('000's) for the financial year Rs 3,17,554/ ('000's) amount is proposed to be transferred to the General Reserve.

#### **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company done during the year.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

**DIVIDEND:**

To strengthen the financial position of the Company and to augment working capital, your directors regret to declare any dividend. **NIL**

**MEETINGS:**

During the Financial Year 2016-17, Six (6) Board Meetings were held on 1-04-2016, 18-07-2016, 17-09-2016, 18-11-2016, 23-12-2016, 24-3-2017. The maximum time gap between the two consecutive meetings was within the period prescribed under the companies Act, 2013.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As required pursuant to section 135(1) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Corporate Social Responsibilities (CSR) Activities as **{ANNEXURE - IV}**.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:****1) JOINT VENTURE COMPANY:****(a) M/S. ANDHRA PHOSPHATE PRIVATE LIMITED**

During the year 2016-17, the company has achieved a turnover of Rs 21.52 Lakhs against the previous year turnover of Rs.16.01lakhs. The Company registered a Gross loss of Rs 7.49 lakhs against the previous year's Gross loss of Rs.19.66Lakhs before taxes and the net loss is Rs.7.44 Lakhs for the year as against the previous year net loss of Rs.17.84 Lakhs.



### **III SUBSIDIARY COMPANIES:**

#### **M/s. ONGOLE IRON ORE COMPANY PRIVATE LIMITED (ANNEXURE – I)**

During the year the company has not commenced any business operations. The company is in the process of obtaining necessary pre-mining clearances for the project. During the year the company recorded a net loss of Rs. 5,22,233/- for the year 2016-17 as against net loss of Rs.6,18,647/- for the year 2015-16.

The accumulated loss carried to the Balance Sheet up to 31<sup>st</sup> March, 2017 is Rs 33,34,929/-.

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **CHANGES IN SHARES CAPITAL:**

The Company has not issued any Equity Shares during the year under review.

### **STATUTORY AUDITORS:**

**M/s. Sriramamurthy & Co., (003032-S)** Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held were appointed for a period of 4 years until the conclusion of 56<sup>th</sup> Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuing annual general meeting to the conclusion of next annual general meeting.

### **AUDITOR'S REPORT:**

The Auditor's Report does not contain any qualification, Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any future comments.

### **EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report as **(ANNEXURE – III)**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

**Details of Loans:**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Companies Act, 2013, is (AS PER SITUATION)

**DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis (ANNEXURE – II)

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not received any complain during the year 2016-17.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows.

**Conservation of energy**

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

**Technology absorption**

(i)	the effort made towards technology absorption	Nil
(ii)	the benefits derived like product improvement cost reduction product development or Import substitution	Nil
(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. Nil.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:

The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors had prepared the annual accounts on a going concern basis; and

The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively

**ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

**For and on behalf of the Board of Directors**



**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**

**The Andhra Pradesh Mineral  
Development Corporation Limited**



**(V.G.Venkata Reddy)**  
**(DIN:08805525)**  
**Vice Chairman & Managing Director (FAC)**

**Place: Vijayawada**


**Date : 22.08.2023**

**ANNEXURE - I**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

Name of the Subsidiary Company	M/s. Ongole Iron Ore Company Pvt. Ltd.
1. The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2017
2. a) paid up Capital of the Subsidiary Company	Rs. 11,00,000/-
b) No. Of shares held by APMDCL with its nominees in the subsidiary	56,100 Shares of Rs. 10/- each fully paid up.
c) Extent of interest of holding Company at the end of Financial year	51%
3. The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
a) Not dealt with in the holding Company's accounts	
i) For the Financial year of the subsidiary Company	Nil
ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
b) Dealt with in the holding company's accounts	
i) For the Financial year of subsidiary Company	Nil
ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary.	Nil

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**

  
**(V.G. Venkata Reddy)**  
**(DIN: 08805525)**  
**Vice Chairman & Managing Director (FAC)**

**Annexure - II**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SGC000871)

**FORM NO. AOC -2**

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/ transaction	N.A
c)	Duration of the contracts/ arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A

I. Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts / arrangements / transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board	N.A
f)	Amount paid as advances, if any	N.A

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(V.G.Venkata Reddy)  
(DIN:08805525)  
Vice Chairman & Managing Director (FAC)

**Annexure-III**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SGC000871)

**Form MGT-9**

**Extract of Annual Return as at the financial year ended on  
31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U13209TG1961SGC000871
2. Registration Date	24.02.1961
3. Name of the Company	ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED
4. Category/Sub-category of the Company	Government Private Company  Limited by Shares
5. Address of the Registered office & contact details	D No.6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapool Hyderabad Hyderabad TG 500004 IN
6. Whether listed company (Yes / No)	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Mining	0899	100%



### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	M/s. Ongole Iron Ore Company Pvt. Ltd.	U13100TG2009SGC063631	Subsidiary	51%	

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

(i). Category-wise Share Holding - Total Number of Shares 100%

Category of Shareholders	No. of Shares held at the beginning of the year					No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>									
(i) <b>Indian</b>									
a) Individual/ HUF	-	3	3		-	3	3		0
b) Central Govt	-								
c) State Govt (s)	-	63,059	6,30,59,000	99.99		63,059	6,30,59,000	99.99	0
d) Bodies Corp.	-								

e) Banks / FI									
f) Any other...	-				-				
<b>Sub-total (A) (1)</b>	-	63,062	6,30,62,000	100	-	63,062	6,30,62,000	100	0
<b>(2) Foreign</b>									
(a) NRIs Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/ FI									
(e) Any other....									
<b>Sub-Total (A) (2) :-</b>									
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	63,062	6,30,62,000	100	-	63,062	6,30,62,000	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-								
(b) Banks / FI	-								

c) Central Govt.									
d) State Govt.(s)	-								
e) Venture Capital Funds	-								
f) Insurance Companies	-								
g) FIs									
h) Foreign Venture Capital Funds	-								
i) Others (specify)	-								
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-								
i) Indian	-								
ii) Overseas	-								
b) Individuals	-								
u) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-								
ii) Individual shareholders holding	-								

nominal share capital in excess of Rs 1 lakh									
c) Others (specify)	-								
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	63,062	6,30,62,000	100	-	63,062	6,30,62,000	100	0

**(ii) Share holding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sir B. Sreedhar, IAS Director of Mines & Geology	1			1			Nil

2	Sri Ch. Venkaiah Chowdary Vice-Chairman & Managing Director	1			1		Nil
3	Sri A. Janardhana Babu Governor of Andhra Pradesh Represented by Asst. Secretary to Govt. Industries & Commerce Dept.,	63,059	99.999		63,059	99.999	Nil
3	Sri. T. G. Ganapathi Section Officer, Industries & Commerce Department	1			1		Nil

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

There is no change in the promoter's shareholding during the period under review

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		Nil.		
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year	Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>% of total shares of the company</b>
1	Governor of Andhra Pradesh	63,059	99.999	
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0		
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>		63,059	99.999
2				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			
3				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /			

transfer / bonus/ sweat equity etc.)		
<b>At the end of the year (or on the date of separation, if separated during the year)</b>		

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment Nil.

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year	-	-	-	-
(i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-



iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No	Particulars of Remuneration	Name of MD/MTD/Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of prerequisites u/s 17 (2) of Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	Sri Ch Venkatesh Choudary Vice Chairman & Managing Director	Rs.9,98,088.
2	Stock Option		
3	Share Equity		
4	Commission as % of profits Others: 500000		
5	Others, please specify		
6	Total MT		
7	Ceiling as per the Act		

### B. Remuneration to other Directors: NIL

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors		

1	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, Please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD - NIL**


Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				


- as % of profit	-	-	-	-
Others specify...	.	.	.	.
5 Others, please specify	.	.	.	.
Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:- NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**

  
**(V.G.Venkata Reddy)**  
**(DIN:08805525)**  
**Vice Chairman & Managing Director (FAC)**

**Place:** Vijayawada

**Date:** 22.08.2023

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

(CIN:U13209TG1961SGC000871)

**TO THE DIRECTORS' REPORT  
ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITIES (CSR) ACTIVITIES**

[Pursuant to clause (a) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

APMDC ("the Company") has developed its CSR policy, henceforth called "APMDC CSR Policy", in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India.

The objectives of the APMDC CSR Policy are to:

1. To define CSR Projects or Programmes which APMDC plans to undertake and which fall within the preview of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area.
3. Outline Governance mechanism for the CSR activities taken up by APMDC.
4. Mode of implementation of such CSR Projects and Programmes.
5. Monitoring and reporting mechanism of such CSR Projects and Programmes.

APMDC CSR policy is aimed at working along with the community through its focus on

Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swachh Bharat Kosh set up by the central government for the promotion of sanitation and making available safe drinking water;

- i. Promoting preventive health care:
  - a. Provision for operation and treatment for differently disable persons

- b. Enabling access to, or improving the delivery of, public health systems.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Enduring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund setup by the central government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veteran, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government;
- x. Rural development projects.
- xi. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.

**2. Average net profit of the company for last three years : Rs.199,65,87,148/-**

**3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):Rs.3,99,31,743**

**4. Details of CSR spent during the year.**

(a) Total amount spent on CSR for the financial year 2016-17:Rs.1,91,60,020/-

(b) Total amount to be spent on CSR for the financial year 2016-17:Rs.2,07,71,723/-.

(c) Manner in which the amount spent during the financial year 2016-17:

- I. Primary Health Centre Maintenance Expenses
- II. School Maintenance Expenses
- III. RO Plants Maintenance Expenses
- IV. Rural Expenses


**5. In case the Company has failed to spend the two percent:**

During the financial year ended March 31, 2017, the company was required to spent Rs.3,99,31,743/-towards CSR activities but the Company has spent Rs.1,91,60,020/ which is lesser than the required amount.

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(V.G.Venkata Reddy)  
(DIN:08805525)  
Vice Chairman & Managing Director (FAC)

**Place: Vijayawada**

**Date: 22.08.2023**



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,  
आन्ध्र प्रदेश, विजयवाडा - 520 002.  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr. No.AG (AU)/AP/TSC(PSUs)/AMG-IV/AA/APMDC/2022-23/289 Date: 04/01/2023

To

Vice Chairman & Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
#D.No.:294/ID, Tadigadapa to Enikepadu 100 Feet Road,  
Kanuru (v), enamaluru (M)  
Vijayawada, Andhra Pradesh-521137

Sir,

**Sub: Provisional Comments on the Financial statements (Standalone and Consolidated) of the Andhra Pradesh Mineral Development Corporation Limited for the year 2016-17.**

I am to forward herewith supplementary provisional comments on the accounts of your Company for the year 2016-17. It is requested that remarks separately, if any, of the Management may please be communicated within **THREE** days from the date of receipt of this letter so as to enable this office to finalise the comments of the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013 expeditiously. In the event of non-receipt of replies within the stipulated time, it would be presumed that (i) the Management has no remarks to offer and (ii) that the facts and figures are accepted by the Management.

Soft copies in word format are also to be sent at [psu.anp.au@icag.gov.in](mailto:psu.anp.au@icag.gov.in). Replies may be furnished in the following pro forma.

Provisional Comment (1)	Reply of the		Remarks (4)
	Company (2)	Statutory Auditors (3)	

In case data, if any, is required for further issue of supplementary provisional comments, the same would be called for.

Encl: as above

Yours faithfully,  
Bhaskar Kalluru  
Sr. Deputy Accountant General

Encl: Provisional Comments

Copy to: Sriramamurthy & Co Chartered Accountants, Flat No.3C# 47-9-39/17, Sai Sadan Apartments, Dwarakangal, Visakhapatnam-530016 along with a copy of Provisional Comments, with a request to expedite their remarks, if any, within three days from the date of receipt of this letter as otherwise the performance of the Statutory Auditors would be adjudged 'unsatisfactory'.

Sd/-  
Senior Audit Officer/TSC(PSUs)

Address: 2nd Floor, Station Central Bldg, M-4 Road, Cross Chowpatty, Visakhapatnam - 530 002  
Website: [www.appranp.nic.in](http://www.appranp.nic.in) [www.appranp.nic.in](http://www.appranp.nic.in)

Digitally Signed by Bhaskar

Kalluru

Date: 04-01-2023 23:08:11

Reason: Approved



**PROVISIONAL COMMENTS UNDER SECTION 143(6)(b) OF THE COMPANIES ACT 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED, VIJAYAWADA FOR THE YEAR ENDED 31 MARCH 2017**

**A. Comments on Financial Position:**

**Assets**

**Non-Current Assets**

**Capital Work-in-Progress (Note 2): ₹ 296.28 crore**

1.The above includes an amount of ₹ 1.57 crore representing the Bank Guarantee encashed by Government of India towards penalty for non-achievement of milestone. As the deduction is in the nature of penalty, the same should be charged to Statement of Profit and Loss. This had resulted in overstatement of Capital Work-in-Progress and understatement of Expenses by ₹ 1.57 crore. Consequently, Profit for the year is overstated by the same amount.

2.Gol had allotted Suliyari Coal Block in Madhya Pradesh to the Company in July 2007. As per the terms of allotment, the exploration and coal mining shall be carried out by the Company or a separate Company to be created with its participation. Accordingly, the Company had entered into a Joint Venture (JV) agreement with Singareni Collieries Company Limited (SCCL) and formed a JV Company viz., APMDC-SCCL Suliyari Coal Company Limited in July 2013 to carry out the mining of coal. For preparation of JV agreement, the Company had engaged M/s.Centre for Good Governance and paid an amount of ₹ 3.50 lakh. it had included the above expenditure in Capital Work-in-Progress. Consequent on Supreme Court Judgement in September 2014, the Gol had cancelled the allocation of Suliyari Coal Block to the Company. Subsequently, upon enactment of Coal Mines (Special Provisions) Act, 2015, Gol had reallocated the Suliyari Coal Block to the Company in September 2016 with the terms to carry out the coal mining on its own.

As the existence of the JV Company is no longer relevant in view of the cancellation of the previous allocation and reallocation to the company and the JV Company being indicated as "Inactive" in the ROC database, the amount paid for preparation of JV agreement should be charged to Statement of Profit and Loss. Thus, in view of non-booking of the amount to Statement of Profit and Loss, Capital Work-in-Progress is overstated and Expenses are understated by ₹ 3.50 lakh.

3. (a)The above includes an amount of ₹ 293.96 crore spent by the company on behalf of its joint venture on Suliyari coal block prior to September 2016, when the coal mine was allotted to the Company. As the investment in the JV Company is fully eroded, the amount should

have been fully provided for (as per Para 5.4.4) of Ind AS `109) instead of disclosing the same as CWIP.

Failure to do so has resulted in overstatement of Capital Work-in-Progress and understatement of provisions by 293.96 crore with consequent overstatement of profit for the year by the same amount.

(b) A combined reading of Para 15 and 16 of Ind AS 106 and Para 2 of Ind AS 38, it is established that expenditure incurred on development of mining rights should be classified as Intangible Asset under Development. However, the Company had classified the balance ₹ 1.30 crore (i.e., 295.26 crore less ₹ 293.96 crore) as Capital Work-in-Progress instead of as Intangible Asset Under Development. This had resulted in understatement of Intangible Asset underdevelopment and overstatement of Capital Work-in-Progress by ₹ 1.30 crore.

4. (a) During the year, the Company had incurred expenditure for ongoing modifications (₹ 0.13 crore) of the existing ERP Software and ₹ 0.05 crores for renewal of license of Business Ready Enhancement Plan (BREP). As per Para 119 (g) under Disclosure requirements of Ind AS 38 and Para 8.7 of Guidance Note on Schedule III to Companies Act, 2013, the Intangible Assets under Development should be disclosed on the face of the Balance Sheet, separately.

However, Company had included the above in the Capital Work-in-progress instead of depicting separately. Thus, the misclassification resulting understatement of Intangible assets under development by ₹ 0.13 crore and overstatement of Capital work in progress by the same amount.

(b) Accounting of Business Ready Enhancement Plan (BREP) license renewal fees of ₹ 0.05 crore as Capital Work-in-Progress instead of charging the same to Statement of Profit & Loss statement as revenue expenditure resulted in overstatement of Capital Work-in-Progress and profit for the year by ₹ 0.05 crore.

## **B. Comments on Profitability:**

### **Expenses**

#### **Finance Cost**

#### **Interest on Staff loans**

5. Company is providing vehicle loans and other loans to staff. While sanctioning the loans, the Company is indicating in the sanction order the amount of monthly instalment of principal as well as the interest on monthly diminution. Further, as per the practice, the Company is

first recovering the principal in certain specified instalments and on completion of principal recovery. Company is recovering the total interest (as computed in the sanction order) in certain specified instalments and as such booking the interest income on receipt basis.

While the Company prepared its financial statements on Ind AS basis, it did not recognise interest receivable in line with Para 27 of Ind AS 1, which stipulated accrual concept. It was observed that the Company had not disclosed policy with regard to the manner of recognition of interest income on staff loans. In the absence of policy and non-availability of sufficient documents/information as to the interest accrued on the staff loans as on March 2017, the impact of the non-booking of interest income and consequent understatement of asset could not be ascertained.

### C. Comments on Disclosure:

6.The Company was allotted mining lands to the extent of 2556.86 hectares of mining land at Mangampet (Barytes), Chimakurthy (Granite), Dwaraka Tirumala (Ball Clay) etc., by the GoAP/GoI on lease basis for carrying out mining activity. It has been earning revenue from the sale of barytes and receiving consideration amount from the JV Companies in respect of black galaxy granite and ball clay. While no operations have been carried out in the other mining lands as on 31 March 2017. The Company has been paying lease rentals/dead rent and royalties as the case may be. However, the Company did not disclose in the Notes to Financial Statements with regard to the extent of mining lands held under lease.

7.Consequent on bifurcation of Andhra Pradesh with effect from 2-6-2014, the erstwhile APMDC was to be demerged as per AP Reorganisation Act, 2014. As per the demerger Plan, as on date of demerger, the Company held funds in Current Accounts, FDs, Sweep Accounts to the extent of ₹ 953.53 crore in various Banks. Out of this, the share of AP Unit was ₹ 556.10 crore. Government of Telangana (GoT) instructed (24-10-2014) all the Banks to freeze all the funds that are in the name of the Company and not to allow any withdrawal or transfer of the funds to any other account unless specific instructions are issued by the GoT. Accordingly, the Banks had frozen all the funds since then. The Company had however, been renewing the FDs upon maturity and created fresh FDs together with the interest earned on the FDs. As on 31-3-2017, the share of the Company in the total FDs, Sweep Account, Current Account that were frozen was ₹ 670.70 crore (FDs: ₹ 663.34 crore; sweep accounts: ₹ 6.67 crore and current accounts: ₹ 0.68 crore).

While the Company had indicated that ₹ 0.68 crore held in current account was frozen, it had neither indicated nor disclosed the facts in the Notes to Financial Statements that FDs amounting to ₹ 663.34 crore and ₹ 6.67 crore held in sweep accounts were frozen on account of the instructions of Telangana Government to the Banks

8.In Compliance to previous year provisional comment no. 6, the Company had recognised revenue of ₹ 7.62 crore towards risk and cost amount recoverable from a contract subsequent to termination of contract for non-performance. However, as the matter is sub judice, the fact that the realisability of the same is subject to court's decision in it, should have been disclosed appropriately in notes to accounts.

#### **D. Comments on Independent Auditor's Report**

9.As on the reporting date, an amount of ₹ 100 crore was remitted (30-03-2017) to GoAP which was subsequently returned to the Company on 30-06-2017. In this context, the qualification no.(vi) that the Company had advanced an amount of ₹ 100 crore to M/s APSFNL is incorrect as the was given in next year i.e , 2017-18.

10.The Statutory Auditors in Point i(c) of Annexure-A to their Report stated that in respect of immovable property, title deeds are not available in respect of 1.61 Acres at Mangampet (Carrying amount ₹ 23,43,985) and 2.07 Acres at Dwaraka tirumala (Carrying amount ₹ 1,877). As the above lands were alienated by the Government to the Company, the above statement should have referred to the alienation orders, and not title deeds

**Bhaskar Kalluru**  
**Senior Deputy Accountant General**

**PROVISIONAL COMMENTS UNDER SECTION 143(6)(b) OF THE COMPANIES ACT 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED, VIJAYAWADA FOR THE YEAR ENDED 31 MARCH 2017**

**A. Comments on Financial Position:**

**Assets**

**Non-Current Assets**

**Capital Work-in-Progress (Note 2): Rs.296.28 crore**

1. The above includes an amount of ₹ 1.57 crore representing the Bank Guarantee encashed by Government of India towards penalty for non-achievement of milestone. As the deduction is in the nature of penalty, the same should be charged to Statement of Profit and Loss

This had resulted in overstatement of Capital Work-in-Progress and understatement of Expenses by ₹ 1.57 crore. Consequently, Profit for the year is overstated by the same amount

2. GoI had allotted Suliari Coal Block in Madhya Pradesh to the Company in July 2007. As per the terms of allotment, the exploration and coal mining shall be carried out by the Company or a separate Company to be created with its participation. Accordingly, the Company had entered into a Joint Venture (JV) agreement with Singareni Collieries Company Limited (SCCL) and formed a JV Company viz., APMDC-SCCL Suliari Coal Company Limited in July 2013 to carry out the mining of coal. For preparation of JV agreement, the Company had engaged M/s.Centre for Good Governance and paid an amount of ₹ 3.50 lakh, it had included the above expenditure in Capital Work-in-Progress. Consequent on Supreme Court Judgement in September 2014, the GoI had cancelled the allocation of Suliari Coal Block to the Company. Subsequently, upon enactment of Coal Mines (Special Provisions) Act, 2015, GoI had reallocated the Suliari Coal Block to the Company in September 2016 with the terms to carry out the coal mining on its own.

As the existence of the JV Company is no longer relevant in view of the cancellation of the previous allocation and reallocation to the Company and the JV Company being indicated as "Inactive" in the ROC database, the amount paid for preparation of JV agreement should be charged to Statement of Profit and Loss. Thus, in view of non-booking of the amount to Statement of Profit and Loss, Capital Work-in-Progress is overstated and Expenses are understated by ₹ 3.50 lakh.

3. (a) The above includes an amount of ₹ 293.96 crore spent by the company on behalf of its joint venture on Suliari coal block prior to September 2016, when the coal mine was allotted to the Company. As the investment in the JV Company is fully eroded, the amount should have been fully provided for (as per Para 5.4.4) of Ind AS '109) instead of disclosing the same as CWIP.

Failure to do so has resulted in overstatement of Capital Work-in-Progress and understatement of provisions by 293.96 crore with consequent overstatement of profit for the year by the same amount.

(h) However, the Company had classified the balance ₹ 1.30 crore (i.e., 295.26 crore less ₹ 293.96 crore) as Capital Work-in-Progress instead of as Intangible Asset Under Development. This had resulted in understatement of Intangible Asset underdevelopment and overstatement of Capital Work-in-Progress by ₹ 1.30 crore.

4.(a) During the year, the Company had incurred expenditure for ongoing modifications (₹ 0.13 crore) of the existing ERP Software and ₹ 0.05 crores for renewal of license of Business Ready Enhancement Plan (BREP). As per Para 119 (g) under Disclosure requirements of Ind AS 38 and Para 8.7 of Guidance Note on Schedule III to Companies Act, 2013, the Intangible Assets under Development should be disclosed on the face of the Balance Sheet, separately.

However, Company had included the above in the Capital Work-in-progress instead of depicting separately. Thus, the misclassification resulting understatement of Intangible assets under development by ₹ 0.13 crore and overstatement of Capital work in progress by the same amount.

(b) Accounting of Business Ready Enhancement Plan (BREP) license renewal fees of ₹ 0.05 crore as Capital Work-in-Progress instead of charging the same to Statement of Profit & Loss statement as revenue expenditure resulted in overstatement of Capital Work-in-Progress and profit for the year by ₹ 0.05 crore.

## **B. Comments on Profitability**

### **Expenses**

#### **Finance Cost**

##### **Interest on Staff loans**

5. Company is providing vehicle loans and other loans to staff. While sanctioning the loans, the Company is indicating in the sanction order the amount of monthly instalment of principal as well as the interest on monthly diminution. Further, as per the practice, the Company is first recovering the principal in certain specified instalments and on completion of principal recovery, Company is recovering the total interest (as computed in the sanction order) in certain specified instalments and as such booking the interest income on receipt basis.

While the Company prepared its financial statements on Ind AS basis, it did not recognise interest receivable in line with Para 27 of Ind AS 1, which stipulated accrual concept. It was observed that the Company had not disclosed policy with regard to the manner of recognition of interest income on staff loans. In the absence of policy and non-availability of sufficient documents/information as to the interest accrued on the staff loans as on March 2017, the impact of the non-booking of interest income and consequent understatement of asset could not be ascertained.

## **C. Comments on Disclosure:**

6. The Company was allotted mining lands to the extent of 2556.86 hectares of mining land at Mangampet (Barytes), Chimakurthy (Granite), Dwaraka tirumala (Ball Clay) etc., by the

GoAP/GoI on lease basis for carrying out mining activity. The Company has been earning revenue from the sale of barytes and receiving consideration amount from the JV Companies in respect of black galaxy granite and ball clay. While no operations have been carried out in the other mining lands as on 31 March 2017. The Company has been paying lease rentals/dead rent and royalties as the case may be. However, the Company did not disclose in the Notes to Financial Statements with regard to the extent of mining lands held under lease.

7. Consequent on bifurcation of Andhra Pradesh with effect from 2-6-2014, the erstwhile APMDCL was to be demerged as per AP Reorganisation Act, 2014. As per the demerger Plan, as on date of demerger, the Company held funds in Current Accounts, FDs, Sweep Accounts to the extent of ₹ 953.53 crore in various Banks. Out of this, the share of AP Unit was ₹ 556.10 crore. Government of Telangana (GoT) instructed (24-10-2014) all the Banks to freeze all the funds that are in the name of the Company and not to allow any withdrawal or transfer of the funds to any other account unless specific instructions are issued by the GoT. Accordingly, the Banks had frozen all the funds since then. The Company had however, been renewing the FDs upon maturity and created fresh FDs together with the interest earned on the FDs. As on 31-3-2017, the share of the Company in the total FDs, Sweep Account, Current Account that were frozen was ₹ 670.70 crore (FDs: ₹ 663.34 crore; sweep accounts: ₹ 6.67 crore and current accounts: ₹ 0.68 crore).

While the Company had indicated that ₹ 0.68 crore held in current account was frozen, it had neither indicated nor disclosed the facts in the Notes to Financial Statements that FDs amounting to ₹ 663.34 crore and ₹ 6.67 crore held in sweep accounts were frozen on account of the instructions of Telangana Government to the Banks.

8. In Compliance to previous year provisional comment no. 5, the Company had recognised revenue of ₹ 7.62 crore towards risk and cost amount recoverable from a contract subsequent to termination of contract for non-performance. However, as the matter is sub judice, the fact that the realisability of the same is subject to court's decision in it, should have been disclosed appropriately in notes to accounts.

#### **D. Comments on Independent Auditors' Report**

9. In the Independent Auditors' Report the Statutory Auditors have made a qualification (No.1) on the Consolidated Financial Statements stating that the transactions of 19 Subsidiaries/JVs and their impact were not incorporated by the Company in their Consolidated Ind AS Financial Statements. However, the impact of the same or inability to assess the impact along with reasons was not mentioned.

Hence, the Auditors' qualification is deficient to the above extent.

10. As on the reporting date, an amount of ₹ 100 crore was remitted (30-03-2017) to GoAP which was subsequently returned to the Company on 30-06-2017. In this context, the



qualification no.(vii) that the Company had advanced an amount of ₹ 100 crore to M/s APSFNL is incorrect as the was given in next year i.e., 2017-18.

11. The Statutory Auditors in reply to the point no. 1 of Directions in Annexure-B to their Report stated that in respect of immovable property, title deeds are not available in respect of 1.61 Acres at Mangampet (Carrying amount ₹ 23,43,985) and 2.07 Acres at Dwaraka tirumala (Carrying amount ₹ 1,877). As the above lands were alienated by the Government to the Company, the above statement should have referred to the alienation orders, and not title deeds.

#### **E. Other Comments:**

12.The Company had prepared its consolidated financial statements by consolidating the financial statements of 2 JVs viz., Pallava Red Granite Private Limited and Andhra Pradesh Granite (Midwest) Private Limited for the year 2016-17.

Rule 4(d) of Companies (Indian Accounting Standards) Rules, 2015, *inter alia*, w.e.f. 1 April 2016, every holding, subsidiary, joint venture or associate companies of a company which is required to prepare financial statements as per Indian Accounting Standards, shall also prepare its accounts on the basis of Indian Accounting Standards

However, it was observed that the above said 2 JVs had not prepared their financial statements in accordance with Ind AS and instead prepared based on Accounting Standards as per Companies (Accounting Standard) Rules, 2006.

Consolidation of financial statement based on Accounting Standard with financial statement based on Ind AS is against the provisions and the impact hereof, could not be ascertained by the audit, in the absence of necessary information.

Further, the Statutory Auditors had not adhered to the guidelines stipulated in Para 12 of SA 600 for using the work of other auditor which is evident from the fact that the above discrepancy was not qualified.

**Bhaskar Kalluru**

**Sr. Deputy Accountant General**

**INDEPENDENT AUDITORS' REPORT****To**

The Members of

Andhra Mineral Development Corporation Limited

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements")

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

#### Basis for Qualified Opinion

We draw attention to the following:

- i) The company has passed entries for bifurcation in the past years except w.r.t. share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for verification. Consequent to bifurcation, the amounts transferred by the Company to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by M/s TSMDC. Further, The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to M/s TSMDC based on estimates for which no supporting document was produced. Hence, we are not able to comment on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment Account	17	Other Financial liability(non-current)	32,38,69,314	Cr
2	Interest on the Portion of FDRs,BGs, and Sweep- SHI allocated to TSMDC	17	Other Financial liability(non-current)	61,21,14,691	Cr
3	APMDC - TSMDC - suliyani coal block	17	Other Financial liability(non-current)	1,25,07,58,691	Cr
4	APMDC - TSMDC - Advances	7	Other Non-current Assets	21,59,87,063	Dr
5	TSMDC - Advance ( Tr of Lia S. Assets)	7	Other Non-current Assets	7,70,01,656	Dr
6	Demerger Adjustment Account of Fixed Deposits and Fixed Deposits Kept for BGs	7	Other Non-current Assets	59,28,03,337	Dr
7	Fixed Deposits	5	Other Financial Assets ( Non-Current)	5,65,41,00,220	Dr
8	Fixed Deposits Kept for Bank Guarantees	5	Other Financial Assets ( Non-Current)	41,89,21,427	Dr
9	Fixed Deposits kept for Bg without Lien	5	Other Financial Assets (Non-Current)	91,79,56,185	Dr



10	Sweep Account (SBI, Kharatabad)	3	Other Financial Assets (Non-Current)	6,67,42,244	Dr
11	Interest Accrued on Fixed Deposits	12	Other Financial Assets (Current)	17,80,40,591	Dr
12	Interest Accrued on Fixed Deposits kept for Bank Guarantee	12	Other Financial Assets (Current)	42,99,356	Dr
13	Interest Accrued on FDR BG Without Lien	12	Other Financial Assets (Current)	7,78,48,063	Dr
14	Interest Accrued on Sweep Account SBI	12	Other Financial Assets (Current)	74,10,829	Dr
15	Interest on Fixed Deposits	26	Other Income	41,40,41,656	Cr
16	Interest on Fixed Deposits Kept for BG	26	Other Income	1,12,70,470	Cr
17	Interest on Fixed Deposits BGs without lien	26	Other Income	5,34,60,553	Cr
18	Interest Receipts Sweep a/c (Kharatabad)	26	Other Income	43,51,442	Cr

ii) The company is required to disclose contingent liabilities as per IND AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2017 by the company could not be audited by us as the company has not provided the related legal litigation files for our understanding and verification.

iii) The following Ledger balances as on 31<sup>st</sup> March 2017 are subject to receipt of Utilisation certificate and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at 31 <sup>st</sup> March 2017
Advance E.F. Panchayat Raj Rajampet	EE Panchayat Raj, Rajampet	98,00,000
Deposit with rehabilitation	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector	District Collector, Cuddapah	28,52,37,861
Deposit with Land Acquisition	Regional District Officer, Cuddapah	5,97,085
Deposit with Sub-Treasury	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificate and confirmation from respective party/ statutory authority, we are unable to ascertain the whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Ind AS financial statements.

iv) As respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year.



Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the IND AS financial statements.

- v) Stores and Spares Item wise ledgers amounting to Rs. 72,13,480 have not been provided for verification. Further, physical verification reports have also not been furnished in respect of store items. Accordingly, the existence and usability could not be ascertained. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis. The resultant impact on the INDAS Financial Statements could not be ascertained.
- vi) During the year, the Company has advanced a interest free loan of Rs. 100 Crores to M/s Andhra Pradesh state Fibrenet Limited. In the absence of the details of the terms, security and other relevant documentation, we are unable to comment on whether the loan is secured or not and whether or not the same are made at terms which are prejudicial to the interest of the company or its members.
- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(i)(c) of the Agreement with M/s Pallava Red dated 3rd March 2008 and M/s Midwest Granite dated 4th June 2007 has not been ascertained by the Company. The agreement is silent on due date in few scenarios due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the INDAS Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable and Deposit for court Fees payable amounting to Rs. 28.40 Crores. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with contractors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone INDAS financial statements.
- ix) The Company has balances in Sales Tax Payable, AFVAT Payable, Deposit with Sales Tax Department, and Deposit with Service Tax Department amounting to 1.22 Crores (Credit), 1.32 Crores (Credit), Rs. 5.74 Crores (Debit) and Rs. 1.16 Crores (Debit) respectively. The documents pertaining to the Tax cases entity are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone INDAS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- x) The Company has balances in Tax Assets amounting to Rs. 72.60 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. The Revised Return based on the Audited Financials are yet to be filed since Financial Year 2014-15. Any effect on account of revising previous year as well as current year returns has not been provided for in the books. Further the company has not disclosed the relationship between tax expense and accounting profit as prescribed under INDAS 12.
- xii) The company has Trade Receivables balance amounting to Rs. 16.49 Crores. Confirmations from Trade Receivables are not available. Considering non reconciliation of General Ledger balance with Sub Ledger balances and non-confirmation from parties, we are not in a position to ascertain and comment



on the correctness of the outstanding balances and the resultant impact on the standalone IndAS financial statements.

- x) We were informed that the balance in the following ledgers are pending final settlement on account of delayed court proceedings: -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sr. R.V Ramana	1,13,403	Dr

The upto date status of the court proceedings are not available on record. Further the balance in the respective ledger balances are subject to confirmation and reconciliation on account of the dispute between the parties and APMDC. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone IndAS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following.

- a) Note No 14 of the standalone Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.

Our opinion is not modified in respect of the above matter.

#### Other Matters

The comparative financial information of the Company for the year ended 31<sup>st</sup> March 2016 and the opening balance sheet as at 1<sup>st</sup> April 2015 (i.e. date of transition) included in these standalone Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditors for the year ended 31<sup>st</sup> March 2016 whose report dated 5<sup>th</sup> June 2021 expressed disclaimer of opinion, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.





#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Qualified Opinion paragraphs above and our separate report on the Internal Controls over Financial Reporting.
2. As required under Section 143(1) of the Act, we report that in respect of loan given to M/s Andhra Pradesh State Fibrenet Limited amounting to Rs. 100 Crores in the absence of the terms and conditions, we are unable to comment whether the said loan is duly secured and whether or not the terms and conditions are prejudicial to the interest of the company and its members.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
  - e) As per Notification F. No. 1/2/2014-CLV dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure II'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 2.35 to the Standalone Ind AS financial statements.





- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has not complied with the terms of Section 124 of the Companies Act, 2013 w.r.t. Unpaid Dividends. Further in terms of Section 123(6) of the said Act, the Company cannot pay dividend since the Company has violated provisions of Section 73 of the Companies Act, 2013.
  - v. The Company has not provided requisite disclosures in the Standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.
4. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure-C.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

UDIN: 22227878AMYRCH7510

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*[Signature]*  
CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

### Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended 31 March 2017)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company
  - c) In respect of immovable properties, title deeds are not available in respect of 1.51 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Uwarakatirumala (Carrying Amount: 1877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record
- (ii) Physical verification of Inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we cannot comment upon the same. However, the Management has physically verified the inventory other than stores and spares in FY 2017-18 and reconciled the same with 31<sup>st</sup> March 2017 after making adjustments for stock movements after 31<sup>st</sup> March 2017. Discrepancies noted were reduced from the Closing Stock as on 31<sup>st</sup> March 2017.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Order.
- (iv) As per Notification F. No. 1/2/2014-CL. V dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause (iv) is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub section [1] of section 148 of the Act for the company in our opinion. However, no cost records have been



provided for our verification due to which we are unable to comment on whether the same have been made and maintained.

- (vii) (3) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities.
- (4) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,617 3,36,253 5,08,165
5	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
6	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale and Consideration Penalty interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
7	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures as at Balance Sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.



- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per Notification No. 1/2/2014-CL.V dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*[Signature]*

CA. D. TEJA SAGAR  
Partner

Memb No: 227878

Place: Vijayawada

Date: 14<sup>th</sup> July 2022

UDIN: 22227878AMYRCH7510

## Annexure-B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2017)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.



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

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

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

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

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The company is currently following manual system of accounting and did not have an effective system for timely accounting of entries.
- e) Non implementation of IT system for the nature and volume of activities of the Company.



A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at 31<sup>st</sup> March 2022 and these material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a Qualified opinion on the financial statements of the Company.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

UDIN: 22227878AMYRCH7SIO

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*P.T. Sagar*  
CA. D. TEJA SAGAR  
Partner  
Memo No: 227878



# ANNEXURE-C to the Independent Auditors' Report

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc? If yes, the reasons therefore and the amount involved	There are no cases of waiver/ write off of debts/loans/interest.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2016-17.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease);	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provision of Ind AS
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately.	The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.

6	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory other than stores and spares in FY 2017-18 and reconciled the same with 31st March 2017 after making adjustments for stock movements after 31st March 2017. Discrepancies noted were reduced from the Closing Stock as on 31st March 2017. The details pertaining to deterioration/obsolescence in the quality have not been shared and consequently, we are unable to comment upon the same.
9	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10	Cases of wrong accounting of interest earned on account of non utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.



11.	Whether the Lifeline plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable related disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/MS-KDP/2013 dt 25/05/2016.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Standalone Ind AS financial statements.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*[Signature]*  
CA. D. TEJA SAGAR

Partner

Memb No: 227878

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

WSN: 22227878 AMYRCH7510

**Andhra Pradesh Mineral Development Corporation Limited**  
**Balance Sheet**

(Rs. in '000's)

Particulars	Note	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,94,248	2,21,225	1,28,403
Capital work-in-progress	2	29,62,799	-	61,459
Other intangible assets	2	194	421	833
<b>Financial assets</b>				
Investments	3	22,027	22,037	22,022
Loans	4	2,998	20,559	19,037
Other financial assets	5	70,64,845	64,05,618	11,37,262
Deferred tax assets (Net)	6	69,429	7,95,134	3,75,016
Other non-current assets	7	15,31,376	26,86,375	19,23,172
Non-current tax assets (Net)	7.1	7,26,074	7,26,053	3,98,498
<b>Current assets</b>				
Inventories	8	14,52,053	6,11,518	6,65,414
<b>Financial assets</b>				
Trade receivables	9	3,26,167	1,39,610	1,23,806
Cash and cash equivalents	10.1	2,34,508	1,52,923	1,09,043
Other bank balances	10.2	2,93,148	11,57,690	59,89,369
Loans	11	10,01,241	1,056	-
Other financial assets	12	2,68,631	2,34,118	3,30,627
Other current assets	13	9,82,345	15,66,071	79,032
<b>TOTAL ASSETS</b>		<b>1,73,32,084</b>	<b>1,47,40,408</b>	<b>1,13,63,191</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	63,062	63,062	63,062
Other equity	15	1,35,78,730	1,04,06,898	74,17,161
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	16	-	4,776	6,460
Other financial liabilities	17	24,47,061	10,42,555	8,65,459
Provisions	18	46,784	22,29,184	10,95,558
Other non-current liabilities	19	77,570	64,528	4,35,810
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		-	-	1,50,000
Trade payables	20	2,59,181	83,142	22,707
Other financial liabilities	21	7,93,126	6,14,346	3,29,697
Other current liabilities	22	15,087	1,95,424	9,64,741
Provisions	23	24,023	36,493	12,536
Current tax liabilities	24	27,459	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,73,32,084</b>	<b>1,47,40,408</b>	<b>1,13,63,191</b>

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 003032S  
*J.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



Place : Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN: 22227878AMVRCR7510

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A



**Andhra Pradesh Mineral Development Corporation Limited**  
**Statement of Profit and Loss Account for the year ended 31-03-2017**

(Rs. in '000's)

Particulars	Note	Year ended 31-03-2017	Year ended 31-03-2016
<b>Income</b>			
Revenue from operations	25	56,57,969	62,90,163
Other income	26	7,08,494	7,28,105
<b>Total (I)</b>		<b>63,66,462</b>	<b>70,18,269</b>
<b>Expenses</b>			
Cost of materials consumed	27	33,333	25,098
Change in inventories of finished goods	28	(8,42,145)	53,313
Employee benefits expense	29	2,54,791	2,07,257
Finance costs	30	76,447	8,732
Depreciation and amortization expense	31	44,432	37,527
Power and fuel		71,997	75,885
Excavation & transport charges	32	31,73,342	18,59,864
Other expenses	33	5,97,209	5,99,719
<b>Total (II)</b>		<b>34,09,406</b>	<b>28,67,396</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>29,57,057</b>	<b>41,50,873</b>
<b>Add : Exceptional items (Net)</b>	34	21,85,664	-
<b>Profit/(loss) before tax</b>		<b>51,42,721</b>	<b>41,50,873</b>
<b>Less : Tax expense/(benefit)</b>			
Earlier years		4,976	20,215
Current tax		12,37,965	15,47,408
Deferred tax		7,24,236	(4,11,827)
<b>Total tax expense/ (benefit)</b>		<b>19,67,177</b>	<b>11,55,795</b>
<b>Profit/(loss) from continuing operations</b>		<b>31,75,543</b>	<b>29,95,078</b>
Profit/(loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the year (A)</b>		<b>31,75,543</b>	<b>29,95,078</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(2,242)	(39,916)
Income tax on above items		(1,468)	8,291
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(3,710)</b>	<b>(31,625)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>31,71,833</b>	<b>29,63,453</b>
<b>Earnings per equity share (in.Rs)</b>			
<b>[Nominal value of share Rs.1000 /-]</b>		<b>50,355.89</b>	<b>47,494.17</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

*D.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



Place : Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN: 22227878AMYRCH7510

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A





**Statement of Changes in equity for the year ended 31-03-2017**

Andhra Pradesh Mineral Development Corporation Limited

A. Equity Share Capital

Particulars	No of Shares	Amount (Rs. in '000's)
Balance as at 1st April, 2015	63,062	63,062
Changes in equity share capital during 2015-16	-	-
Balance as at 31st March, 2016	63,062	63,062
Changes in equity share capital during 2016-17	-	-
Balance as at 31st March, 2017	63,062	63,062

B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actual Gains/Losses Reserve	Deferred tax on OCI Items	
<b>Balance at the beginning of reporting period - 01-04-2015</b>	22,000	7,084	14,55,607	59,37,535	-	-	(5,076)	74,17,161
Profit for the period for the year	-	-	-	29,95,077	-	-	-	29,95,077
Other comprehensive income for the year	-	-	-	29,95,077	(5,657)	(34,259)	8,291	(31,625)
Total comprehensive income for the year	-	-	-	29,95,077	(5,657)	(34,259)	8,291	29,63,452
Transfer to reserve for bad and doubtful debts	-	906	2,23,069	(2,23,069)	-	-	-	-
Transfer to general reserve	-	-	26,284	(26,510)	-	39,601	(9,291)	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
Portion of share capital allotted to Tejanagari region	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting period - 31-03-2016</b>	22,000	8,000	17,04,961	86,02,127	(5,657)	542	(5,076)	1,04,06,896
Profit for the year	-	-	-	31,75,543	-	-	-	31,75,543
Other comprehensive income for the year	-	-	-	31,75,543	-	(2,242)	(1,468)	(3,710)
Total comprehensive income for the year	-	-	-	31,75,543	-	(2,242)	(1,468)	31,71,913
Transfer to reserve for bad and doubtful debts	-	10,690	-	(10,690)	-	-	-	-
Transfer to general reserve	-	-	-	(6,420)	-	4,951	1,468	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
<b>Balance at the end of reporting period - 31-03-2017</b>	22,000	18,689	17,04,961	1,16,40,561	(5,657)	3,251	(5,076)	1,35,78,729





**Andhra Pradesh Mineral Development Corporation Limited**  
**Cash flow statement for the year ended 31-03-2017**

(Rs. in '000's)

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Profit before tax from continuing operations	51,42,721	41,50,873
<b>Adjustments for</b>		
Interest expense	76,447	8,732
Interest income	(6,36,004)	(6,54,049)
Dividend income	(4,400)	(1,320)
Depreciation/amortization on continuing operations	44,432	37,527
Loans & advances written off	-	89
Bad & doubtful debts	41,922	20,137
Assets written off	45	2
Loss/(profit) on sale of fixed assets		(9)
Provision for diminution in value of investments	10	(5,672)
Remeasurement of defined benefit plans	(2,242)	(34,259)
<b>Operating profit before working capital changes</b>	<b>46,62,931</b>	<b>35,22,012</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	1,71,263	58,750
Increase/(decrease) in provisions	(21,70,675)	11,54,546
Increase/(decrease) in other financial liabilities	15,80,009	4,64,910
Increase/(decrease) in other liabilities	(1,67,296)	(11,14,315)
Decrease/(increase) in trade receivables	(2,28,479)	(35,942)
Decrease/(increase) in inventories	(8,40,535)	53,896
Decrease/(increase) in other assets	2,89,491	(24,03,890)
Decrease/(increase) in other financial assets	(6,54,772)	(51,56,623)
Decrease/(increase) in other bank balances (current)	8,64,542	48,31,679
Decrease/(increase) in loans	(9,82,623)	(2,667)
<b>Cash generated from operations</b>	<b>25,23,856</b>	<b>13,72,357</b>
Direct taxes paid (net of refunds)	12,42,962	18,95,177
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,80,894</b>	<b>(5,22,820)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and Capital advances	(17,30,839)	85,167
Proceeds from sale of fixed assets	-	9
Interest received	5,97,036	6,39,064
Dividends received from subsidiaries & joint ventures	4,400	1,320
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(11,29,403)</b>	<b>7,25,560</b>
Proceeds from borrowings	-	(1,50,000)
Interest paid	(69,906)	(8,860)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(69,906)</b>	<b>(1,58,860)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	81,585	43,880
Cash and cash equivalents at the beginning of the year	1,52,923	1,09,043
<b>Cash and cash equivalents at the end of the year</b>	<b>2,34,508</b>	<b>1,52,923</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	89	143
With banks accounts	2,34,420	1,52,780
<b>Total cash and cash equivalents (Note 10)</b>	<b>2,34,508</b>	<b>1,52,923</b>

The accompanying notes are an integral part of these standalone financial statements

**As per our report of even date**

**For Sriramamurthy & Co**

Chartered Accountants  
Firm Regn No: 003032S

*P.T. Sagar*

**Dondeti Teja Sagar**

Partner  
Mem No.227878

Place: Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN: 22227878AMYRCH7SIO



For and on behalf of the Board of  
Directors

*V.G. Venkata Reddy* *D. Ramadevi*  
**V.G. Venkata Reddy** **D. Ramadevi**  
 VC & MD Director  
 DIN: 08805525 DIN: 08076094

**A. Nageswara Reddy**  
General Manager - F&A



## **APMDC LIMITED**

### **Notes forming part of the Financial Statements**

#### **1. Corporate Information**

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

#### **1.1 Significant Accounting Policies**

##### **a. Statement of Compliance**

For all the periods up to and including the year ended March 31, 2015 the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (Indian GAAP) and complied with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements of Companies Act, 2013.

Pursuant to the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (hereinafter referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and relevant provisions of the Companies Act, 2013 with effect from April 1, 2016. The standalone financial statements for the year ended 31<sup>st</sup> March 2017 are the first financial statements of the Company prepared in accordance with Ind AS. The transition to Ind AS was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. Previous periods have been restated to Ind AS.

##### **b. Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### **c. Functional and presentation currency**

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.



#### **d. Use of estimates and judgement**

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Information about critical estimates, judgements or assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.



Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of excise duty but net of other taxes collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect and service taxes.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.





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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.



#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

#### **j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.





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

### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.



#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.



## **p. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, It is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.



### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The company has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

### **r. Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.



**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.



In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.





## **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

## **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

## **iv. De-recognition of financial assets**

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

## **Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

## **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.





A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of Income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.



Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

#### **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment for the year ended 31.03.2016**

**Note -2**

**{Rs. In '000's}**

<b>Particulars</b>	<b>Deemed Cost as at 01.04.2015</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2016</b>	<b>Depreciation For the Year</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Net carrying amount as at 31.03.2016</b>
<b>Free hold land</b>	30,120	52,335	-	82,455	-	-	82,455
<b>Buildings</b>	24,290	2,351	-	26,641	3,833	3,833	22,809
<b>Plant and Machinery</b>	28,853	65,566	2	94,417	11,532	11,532	82,885
<b>Furniture &amp; Fixtures</b>	1,786	768	-	2,553	735	735	1,818
<b>Vehicles</b>	5,398	758	-	6,156	2,471	2,471	3,685
<b>Office Equipment</b>	2,339	1,488	-	3,827	1,863	1,863	1,964
<b>Mining and Equipment</b>	28,494	737	-	29,232	10,089	10,089	19,142
<b>Data Processing Equipment (Co Library)</b>	1,906	5,789	-	7,695	3,143	3,143	4,552
<b>Tent &amp; Huts</b>	10	27	-	37	22	22	15
<b>Lease hold improvements</b>	3,230	-	-	3,230	3,230	3,230	-
<b>Mining property</b>	1,976	-	-	1,976	77	77	1,900
<b>Total</b>	<b>1,28,403</b>	<b>1,29,819</b>	<b>2</b>	<b>2,58,219</b>	<b>36,994</b>	<b>36,994</b>	<b>2,21,225</b>
<b>Capital Work In progress</b>	<b>61,459</b>	<b>-</b>	<b>61,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>							
<b>Particulars</b>	<b>Deemed Cost as at 01.04.2015</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2016</b>	<b>Depreciation For the Year</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Net carrying amount as at 31.03.2016</b>
<b>Computer Software</b>	833	121	-	954	533	533	421
<b>Total</b>	<b>833</b>	<b>121</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>533</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment for the year ended 31-03-2017

(Rs. in '000's)

Particulars	Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	Accumulated Depreciation as at 31.03.2016	Depreciation for the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2017	Net carrying amount as at 31.03.2017	Net carrying amount as at 31.03.2016
Free hold land	62,455	1,45,492	-	2,27,947	-	-	-	2,27,947	2,27,947	62,455
Buildings	26,641	4,434	33	31,042	3,833	3,363	11	7,184	23,857	22,809
Plant and machinery	94,417	17,483	3	1,11,897	11,532	16,207	-	29,739	82,157	82,805
Furniture & fixtures	2,553	753	30	3,276	735	703	10	1,426	1,850	1,818
Vehicles	6,156	2,985	-	9,141	2,471	1,962	-	4,432	4,718	3,685
Office equipment	3,827	2,308	11	6,122	1,863	1,573	9	3,426	2,697	1,964
Printing and equipment	29,232	35,805	-	66,036	10,089	17,763	-	22,852	43,184	39,247
Data processing equipment	7,695	4,117	-	11,812	3,143	4,375	-	7,518	4,294	4,592
Test & tools	37	2,897	-	2,934	22	1,195	-	1,216	1,718	15
Lease hold improvements	3,710	-	-	3,230	3,730	-	-	3,230	1,834	1,900
Mining property	1,976	-	-	1,976	77	66	-	142	3,94,248	2,23,125
<b>Total</b>	<b>2,58,219</b>	<b>2,17,273</b>	<b>78</b>	<b>4,75,414</b>	<b>36,994</b>	<b>44,206</b>	<b>33</b>	<b>81,168</b>	<b>29,62,798</b>	<b>-</b>
<b>Capital Work in progress</b>	<b>-</b>	<b>29,62,798</b>	<b>-</b>	<b>29,62,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Particulars</b>	<b>Cost as at 01.04.2016</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2017</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Depreciation for the Year</b>	<b>Disposal / Adjustments</b>	<b>Accumulated Depreciation as at 31.03.2017</b>	<b>Net carrying amount as at 31.03.2017</b>	<b>Net carrying amount as at 31.03.2016</b>
Computer software	954	-	-	954	533	226	-	760	194	421
<b>Total</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>226</b>	<b>-</b>	<b>760</b>	<b>194</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to financial statements for the year ended 31-03-2017**

3

	(Rs. in '000's)		
Non-current Investments	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Unquoted equity Instruments - Investments measured at cost</b>			
<b>Investment in subsidiary companies</b>			
i. M/s. AWPJOC - SCCL subsidiary coal company Ltd 5,100 Shares allotted of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	51 (51)	51 (51)	51 (51)
ii. M/s. Ruagach coal company Ltd 3,000 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	5,937 (5,957)	5,957 (5,957)	300 (300)
iii. M/s. Danodhara Minerals (P) Ltd. 18,921 equity Shares of Rs.10/- each fully Paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
iv. M/s. Ongole Iron Ore Mining Company Pvt Ltd 56,100 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
<b>Investment in Joint Venture</b>			
v. M/s. Aswani Mineral Development (P) Ltd 65,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
vi. M/s. SRAP Mineral (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
vii. M/s. Arham Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
viii. M/s. Tara Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
ix. M/s. Mangasree Granites (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
x. M/s. Ongole Minerals Exports (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xi. M/s. RLP Granites (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xii. M/s. A.P. Granites (Midwest) P Ltd 11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
xiii. M/s. Alliance A.P. Back Galaxy Granites (P) Ltd 11,00,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
xiv. M/s. Patana Red Granites (P) Ltd 11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
xv. M/s. A.P. Coastal sands & Metals Pvt. Ltd., 13,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)	130 (130)
xvi. M/s. Gimphe AP Barytes Beneficiation (P) Ltd 1,320 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
xvii. M/s. Andhra Baryte Corporation (P) Ltd 8,52,500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)
xviii. M/s. Andhra Pradesh Iron Ore Company Ltd 6,850 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)	69 (69)
xix. M/s. Triveni Baryte Private Ltd 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)	4,500 (4,500)





xx. M/s.M.V. Minerals (P) Ltd 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)	110 (110)
xxi. M/s. Andhra Phosphate (P) Ltd 1,110 equity shares of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1,110 (1,110)	1,110 (1,110)	1,110 (1,110)
xxii. M/S.Andhra Pradesh Trib. Mining (P) Ltd 28,600 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	286 (286)	286 (286)	286 (286)
<b>Investments measured at amortised cost</b>			
Investment in Government Securities (unquoted)	7,116	7,116	7,116
Less: Provision made for doubtful investment	(7,092)	(7,092)	(7,092)
	<b>22,027</b>	<b>22,037</b>	<b>22,027</b>

Aggregate amount of quoted Investments - Market value  
Aggregate amount of quoted Investments - Book value  
Aggregate amount of Unquoted investments  
Aggregate provision for diminution in value of investments  
Aggregate Provision made for doubtful investment

-  
-  
22,027  
38,397  
7,404

-  
-  
22,037  
38,397  
7,404

-  
-  
22,027  
38,397  
7,407

4	Loans (Non-current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Security Deposits</b>			
	Unsecured and considered good	-	18,293	16,052
	Doubtful	9,274	754	-
	Less: Provision for doubtful debts	(9,274)	(754)	-
	<b>Vehicle loans to staff</b>			
	Secured, considered good	1,063	1,630	1,519
	Unsecured, considered good	-	-	-
	<b>Other Loans to staff</b>			
	Unsecured, considered good	914	636	1,466
	Doubtful	10	-	-
	Less: Provision for doubtful items	(10)	-	-
	<b>Total</b>	<b>2,008</b>	<b>20,559</b>	<b>19,037</b>

5	Other Financial Assets (Non-Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Balance in current accounts (Frozen)	5,779	6,135	-
	Long term bank deposits	59,91,276	67,79,073	11,73,116
	Balance in post office savings account	4,042	4,012	4,045
	Less: Provision for impairment	(3,996)	-	-
	Sweep accounts	66,742	56,384	-
	Advance recoverable in cash	-	-	10,106
	<b>Total</b>	<b>70,64,845</b>	<b>64,05,618</b>	<b>11,37,282</b>

6	Deferred tax asset (Net)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Deferred tax liability</b>			
	Property, plant & equipment	-	5,414	10,111
	Investment	5,076	5,076	5,076
	<b>Gross deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,187</b>
	<b>Deferred tax asset</b>			
	Property, plant & equipment	5,382	-	-
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	4,724	1,830	5,708
	Provision for decommissioning costs	16,151	15,062	15,327
	Provision for stripping activity adjustment	-	7,56,415	3,65,140
	Provision for tax & doubtful debts, investments & advances	47,207	32,316	6,029
	<b>Gross Deferred tax asset</b>	<b>74,505</b>	<b>8,05,624</b>	<b>3,90,203</b>
	<b>Net deferred tax liability/(asset)</b>	<b>(69,429)</b>	<b>(7,95,134)</b>	<b>(3,75,010)</b>



7	Other non-current assets	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>A) Capital advances</b>			
	Secured and considered good	-	-	-
	Unsecured and considered good	2,39,616	16,88,849	18,42,408
	Doubtful	26,000	26,023	-
	Provision for doubtful advances	(26,000)	(26,023)	-
		<b>2,39,616</b>	<b>16,88,849</b>	<b>18,42,408</b>
	<b>B) Advances other than capital advances</b>			
	i) Advances to related parties	-	-	-
	ii) Other advances	-	-	-
	Secured, considered good	-	-	-
	Unsecured, considered good	9,04,805	5,96,950	45,035
	Doubtful	22,160	22,927	165
	Less: Provision for doubtful items	(22,160)	(22,927)	(137)
		<b>9,04,805</b>	<b>5,96,950</b>	<b>45,008</b>
	<b>C) Others - Specified</b>			
	Balance with regulatory authorities	-	-	-
	Secured considered good	-	-	-
	Unsecured, considered good	3,86,956	4,00,576	35,607
	Doubtful	8,852	597	-
	Prepaid expense	-	-	-
	Less: Provision for doubtful items	(8,852)	(597)	-
		<b>3,86,956</b>	<b>4,00,576</b>	<b>35,607</b>
	<b>Total</b>	<b>15,31,376</b>	<b>26,86,375</b>	<b>19,23,172</b>
7.1	Non current tax assets (Net)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Advance tax</b>			
	Corporate tax receivable	7,26,053	7,26,053	67,759
	Tax collection at source	21	-	5
	Tax deducted at source	-	-	3,30,734
	<b>Total</b>	<b>7,26,074</b>	<b>7,26,053</b>	<b>3,98,498</b>
8	Inventories	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Finished Goods	14,45,639	6,03,494	6,56,807
	Less: Provision made	(799)	-	-
	Stores and spares - at cost	7,213	6,024	8,607
	<b>Total</b>	<b>14,52,053</b>	<b>6,11,518</b>	<b>6,65,414</b>
9	Trade receivables (Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Secured, considered good	-	-	-
	Unsecured, considered good	3,26,167	1,39,610	1,23,306
	Doubtful	46,280	20,586	8,449
	Less: Provision for doubtful debts	(46,280)	(20,586)	(8,449)
	<b>Total</b>	<b>3,26,167</b>	<b>1,39,610</b>	<b>1,23,306</b>
	Cash and cash equivalents	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
10.1	Cash and cash equivalents			
	Balances with banks:			
	in current accounts	2,34,420	1,52,780	1,06,934
	Cash on hand	89	342	109
	<b>(A)</b>	<b>2,34,509</b>	<b>1,53,123</b>	<b>1,07,043</b>
10.2	Other bank balances			
	In sweep accounts	7,93,148	11,57,690	1,30,800
	Fixed deposits with maturity > 3 months but < 12 months	-	-	58,56,569
	<b>(B)</b>	<b>7,93,148</b>	<b>11,57,690</b>	<b>59,87,369</b>
	<b>Total</b>	<b>8,27,657</b>	<b>13,10,813</b>	<b>60,94,412</b>





11	<b>Loans (Current)</b> Unsecured, considered good Vehicle loans to staff Short term loan to AP State Fibrenet Ltd - Refer Note - 42 (H) Other loans to staff <b>Total</b>	<b>As at 31-03-2017</b> 894 10,00,800 314 <b>10,01,241</b>	<b>As at 31-03-2016</b> 703 374 - <b>1,055</b>	<b>As at 01-04-2015</b> - - - -
12	<b>Other financial assets (Current)</b> Deposit with others Advances receivable in cash Unsecured, considered good Doubtful Interest receivable Less: Provision made Insurance claim receivable <b>Total</b>	<b>As at 31-03-2017</b> 54 261 - 2,72,853 (1,539) - <b>2,68,631</b>	<b>As at 31-03-2016</b> - 227 - 2,23,884 - 7 <b>2,24,118</b>	<b>As at 01-04-2015</b> 50 1,11,917 - 2,18,660 - - <b>3,30,527</b>
13	<b>Other assets (Current)</b> <b>A) Advances recoverable</b> i) Advances to related parties ii) Other advances Secured and good Unsecured and considered good Doubtful Less: Provision for doubtful items <b>B) Others - Specified</b> Balance with Prasthuthi Authorities Prepaid expenses <b>Total</b>	<b>As at 31-03-2017</b> - - - 53,174 - - <b>63,174</b> 8,91,447 25,724 <b>9,19,171</b> <b>9,82,345</b>	<b>As at 31-03-2016</b> - - - 15,55,459 - - <b>15,55,459</b> 766 9,826 <b>10,612</b> <b>15,66,071</b>	<b>As at 01-04-2015</b> - - - 52,368 - - <b>52,368</b> 23,219 3,494 <b>26,664</b> <b>79,032</b>
14	<b>Share capital</b> <b>Authorised share capital:</b> 1,00,000 equity shares of Rs.1000/- each (Previous year: 1,00,000 equity shares of Rs.1000/- each) <b>Issued, subscribed and fully paid up share Capital:</b> 63,062 equity shares of Rs.1000/- each fully paid up in cash (Previous year: 63,062 equity shares of Rs.1000/- each)	<b>As at 31-03-2017</b> 1,00,000 1,00,000 63,062 <b>63,062</b>	<b>As at 31-03-2016</b> 1,00,000 1,00,000 63,062 <b>63,062</b>	<b>As at 01-04-2015</b> 1,00,000 1,00,000 63,062 <b>63,062</b>
<b>Additional notes</b>				
<b>14.1</b>				
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>				
	<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	
	Shares outstanding at the beginning of the year	63,062	63,062	
	Shares issued during the year	-	-	
	Shares outstanding at the end of the year	63,062	63,062	
<b>14.2</b>				
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.				
<b>14.3</b>				
<b>The details of shares in the Company held by each shareholder holding more than 5% shares</b>				
	<b>Name of the share holder</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	
	Governor of the Andhra Pradesh- represented by Assistant Secretary (100%)	63,062 (100%)	63,062 (100%)	
	(to Government: H.Rest. Industries & Commerce department)			



**Capital Reserves**  
**FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER**  
**THAN CASH ALLOTTED BY**

i. M/s. Damodhara Minerals Pvt Ltd 18921 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
ii. M/s. Anam Mineral Development Pvt Ltd 65000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
iii. M/s. SRAP Mineral (P) Ltd 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
iv. Anam Minerals Exports (P) Ltd 130000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
v. Isra Minerals Exports (P) Ltd 130000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
vi. Marossree Granites (P) Ltd 130000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
vii. Enclave Minerals Exports (P) Ltd 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
viii. R.P. Granites (P) Ltd 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
ix. M/s.A.P. Cranes(Midwest) P Ltd 110000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
x. M/s.Ahmed A.P.Black Galaxy Granites (P) Ltd 110000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
xi. M/s.Pa.ava Red Granites (P) Ltd 110000 equity shares of Rs.100/- each fully paid up	11,000	11,000	11,000
xii. M/s.A.P.Coastal sands & Metals Pvt Ltd 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)	130 (130)
xiii. M/s Orissa Iron Ore Mining Company Pvt Ltd 56,100 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
xiv. M/s Gumpex AP Barytes Beneficiation (P) Ltd 13 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
xv. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)



vi. M/s. Andhra Pradesh Iron Ore Company Ltd. 6,850 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		65 (69)	65 (69)	69 (69)
vii. M/s. Anupam Barite Private Ltd. 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		4,500 (4,500)	4,500 (4,500)	4,500 (4,500)
viii. M/s. V.V. Minerals (P) Ltd. 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares		110 (110)	110 (110)	110 (110)
		<b>22,000</b>	<b>22,000</b>	<b>22,000</b>
<b>Other comprehensive income reserve</b>				
Balance as per last financial statements		(10,191)	15,076	-
Other comprehensive income for the year		(3,718)	(31,575)	(5,076)
		<b>(13,901)</b>	<b>(36,701)</b>	<b>(5,076)</b>
<b>Add/(Less): Transferred from/(to) retained earnings</b>		<b>6,470</b>	<b>26,510</b>	
<b>Closing balance</b>		<b>(7,432)</b>	<b>(10,191)</b>	<b>(5,076)</b>
<b>Reserve for bad and doubtful debts</b>				
Balance as per the last financial statements		8,000	7,094	4,941
Add/(Less): Transferred from to profit and loss account		10,690	906	2,153
<b>Closing balance</b>		<b>18,690</b>	<b>8,000</b>	<b>7,094</b>
<b>General Reserve</b>				
Balance as per the last Financial Statements		17,04,961	14,55,607	9,36,720
Less: Depreciation Adjustment		-	-	(5,514)
Add/(Less): Portion of share capital allotted to foreign region		-	26,284	126,200
Add: Transfer from profit & loss account		-	2,23,069	88,848
Add/(Less): Ind AS adjustments		-	-	5,91,830
Deferred tax thereon		-	-	-
<b>Closing balance</b>		<b>17,04,961</b>	<b>17,04,961</b>	<b>14,55,607</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>				
Balance as per the last financial statements		86,82,127	59,17,535	51,50,972
Profit for the year		31,75,547	79,95,077	8,88,482
Add: Transfer from other comprehensive income		-	-	-
		<b>1,18,57,669</b>	<b>89,32,612</b>	<b>60,47,454</b>
<b>Less: Appropriations</b>				
Transferred from/to other comprehensive income		6,420	26,510	2,153
Reserve for bad and doubtful Debts		10,690	906	88,848
Transfer to general reserve		-	2,23,069	15,766
Interim dividend		-	-	2,152
Tax on interim dividend		-	-	-
Total appropriations		<b>17,110</b>	<b>2,50,485</b>	<b>1,09,919</b>
<b>Net surplus in statement of profit and loss</b>		<b>1,18,40,560</b>	<b>86,82,127</b>	<b>59,37,535</b>
<b>Total reserves and surplus taken to balance sheet</b>		<b>1,35,78,729</b>	<b>1,04,06,897</b>	<b>74,17,161</b>

16	<b>Trade payables</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Due to others	-	1,776	6,460
	<b>Total</b>	-	<b>4,776</b>	<b>6,460</b>

17	<b>Other financial liabilities (Non-Current)</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Amounts payable to Govt of India	-	-	178
	Expenses payable against infrastructure development	68,500	1,39,378	1,500
	Others	23,68,071	4,38,745	6,911
	Deposits	10,490	6,881	1,97,531
	Interest payable	-	4,07,571	4,83,852
	<b>Total</b>	<b>24,47,061</b>	<b>10,42,595</b>	<b>6,65,459</b>



18	<b>Provisions (Non-current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Provision for Others:</b>			
	Provision for scriping activity adjustment	-	21,85,563	10,55,074
	Provision for decommissioning cost	46,784	43,520	40,444
	<b>Total</b>	<b>46,784</b>	<b>22,29,183</b>	<b>10,95,518</b>
19	<b>Other Non-current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	156	3,57,699
	Statutory liabilities	22,570	64,377	77,570
	Royalties payable	-	-	342
	<b>Total</b>	<b>22,570</b>	<b>64,533</b>	<b>4,35,610</b>
20	<b>Trade payables (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Trade payables</b>			
	Due to MSMED parties	-	-	-
	Due to others	2,59,181	83,141	22,207
	<b>Total</b>	<b>2,59,181</b>	<b>83,141</b>	<b>22,207</b>
	Micro and small enterprises under the micro and small enterprises development Act 2006 have been determined based on the information available with the company and the required disclosures are given below			
	<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	a) Principle amount and interest due thereon	-	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-	-
	Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.			
21	<b>Other financial liabilities (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Savings & other monies payable	23,353	47,679	83,490
	Expenses payable against infrastructure development	-	-	16,694
	Debits	7,01,678	4,33,184	51,389
	Interest payable	-	3,277	113
	Other payables	4,06,096	1,35,206	1,79,032
	<b>Total</b>	<b>7,93,127</b>	<b>6,16,346</b>	<b>3,20,697</b>
22	<b>Other current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	1,05,203	9,45,407
	Statutory liabilities	15,087	30,221	19,339
	<b>Total</b>	<b>15,087</b>	<b>1,95,425</b>	<b>9,64,741</b>
23	<b>Provisions (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Provision for employee benefits:</b>			
	Provision for gratuity	3,718	18,196	4,309
	Provision for leave benefits	14,305	18,796	8,277
	<b>Total</b>	<b>24,023</b>	<b>36,993</b>	<b>12,586</b>
24	<b>Current tax liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for income tax	27,459	-	-
	<b>Total</b>	<b>27,459</b>	<b>-</b>	<b>-</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to profit and loss account for the year ended 31-03-2017**

(Rs. in '000's)

25	Revenue from operations	Year ended 31-03-2017	Year ended 31-03-2016
	Sale of products	54,60,532	61,39,617
	Other operating revenue	1,97,437	1,50,546
	<b>Total</b>	<b>56,57,969</b>	<b>62,90,163</b>

26	Other income	Year ended 31-03-2017	Year ended 31-03-2016
	Interest on fixed deposits	4,14,042	4,54,665
	Interest on fixed deposits kept for: BG	11,270	9,548
	Interest on sweep a/c- AB somajiguda	1,51,886	1,29,447
	Interest on sweep a/c- SBI, khairatabad	4,351	4,769
	Interest on electricity deposits	766	713
	Interest on FDR BGs without lien	53,461	54,632
	Interest on investments - NSC bonds	4	62
	Interest on postal saving bank account	6	-
	Interest on loans to staff	218	252
	Other interest receipts	17,318	4,352
	Other (Miscellaneous) Income	13,295	9,907
	Rent receipts	654	1,472
	Forfeiture of security deposit	462	33,680
	Penalty on ROM/CB	-	1,593
	Penalty on buyers/millers	28,670	-
	Sale of tender documents	899	1,378
	Profit on sale of assets	-	9
	Sale of scrap	36	-
	Freight & insurance on despatches	376	172
	Dividend from M/s. A.P. Gran tes (mid west) P Ltd	4,400	1,370
	Excess provision written back	6,371	20,325
	<b>Total</b>	<b>7,08,494</b>	<b>7,28,105</b>

27	Cost of materials consumed	Year ended 31-03-2017	Year ended 31-03-2016
	Consumption of packing material	33,333	25,098
	<b>Total</b>	<b>33,333</b>	<b>25,098</b>

28	Changes in Inventories of finished goods	Year ended 31-03-2017	Year ended 31-03-2016
	a) Opening stock of finished goods	6,03,494	6,56,807
	<b>Total</b>	<b>6,03,494</b>	<b>6,56,807</b>
	b) Closing stock of Finished Goods	14,45,639	6,03,494
	<b>Total</b>	<b>14,45,639</b>	<b>6,03,494</b>
	<b>Changes in Inventories of finished goods</b>	<b>(8,42,145)</b>	<b>53,313</b>



29	<b>Employee benefit expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Salaries and wages	1,70,364	1,43,428
	Bonus	13,501	14,372
	Employer's contribution to PF and other funds	26,798	14,751
	Staff welfare and other expenses	35,494	32,560
	Salary to VC & MD	998	1,093
	Leave encashment	7,535	3,053
	<b>Total</b>	<b>2,54,791</b>	<b>2,07,257</b>
30	<b>Finance costs</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Interest expense	-	5,696
	Int. payment against advance (Barytes Customers)	73,187	-
	Unwinding of discounting of provision for decommissioning	3,264	3,036
	<b>Total</b>	<b>76,447</b>	<b>8,732</b>
31	<b>Depreciation and amortization expense</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Depreciation of tangible assets	44,206	36,994
	Amortization of intangible assets	226	533
	<b>Total</b>	<b>44,432</b>	<b>37,527</b>
32	<b>Excavation &amp; transport charges</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Excavation & transport charges for ROM	4,02,145	2,54,638
	Excavation & transport charges for overburden	27,72,197	16,05,226
	<b>Total</b>	<b>31,73,342</b>	<b>18,59,864</b>
33	<b>Other expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Rents	10,390	8,940
	Repairs & maintenance	13,296	10,858
	Insurance	667	556
	Rates and taxes	21,652	28,001
	<b>Other expenses</b>		
	Operating expenses	1,50,825	55,988
	Royalty & other levies	7,165	13,315
	Selling expenses	74,007	41,932
	Prospecting & mining lease expenses	16,199	46,477
	Travelling & conveyance charges	-	12,161
	Office & general expenses	73,168	2,71,602
	Audit fee for statutory auditors	506	635
	Audit fee for other auditors	506	530
	Expenses to auditors	129	243
	Printing & stationery	3,147	7,651
	Postage, telegrams & telephones	4,987	2,579
	Corporate social responsibility expenses	19,160	11,113
	Remuneration to out sourced services	1,33,883	-
	Bad & doubtful debts (expenses)	41,922	20,137
	Bad & doubtful advances (Provision)	-	50,168
	Bad & doubtful investments (Provision)	4,502	-
	Provision for non moving stock	799	-
	Fixed assets written off	45	2
	Other assets written off	-	16,762
	Data processing charges	3,241	-
	Loss in transit	2,548	-
	Rehabilitation expenses	4,470	-
	Loans & advances written off	-	89
	<b>Total</b>	<b>5,97,209</b>	<b>5,99,719</b>



Payment to Auditors		Year ended 31-03-2017	Year ended 31-03-2016
Statutory audit fee		500	635
<b>Total</b>		<b>500</b>	<b>635</b>

34	Exceptional Items (Net)	Year ended 31-03-2017	Year ended 31-03-2016
	Provision for stripping adjustment no longer required	21,85,664	-
	<b>Total</b>	<b>21,85,664</b>	<b>-</b>

During the year ended March 31, 2017, the company has reversed provision held for 'excavation and transport charges payable on over burden on shortfall as per stripping ratio as per mining plan' amounting to Rs.218.56 crores. The reversal of provision was on account of change in mining plan and corresponding change in estimate of stripping ratio. The modified mining plan was approved by deputy director of mines and geology, Kadapa region on 25-05-2016. Due to change in stripping ratio as per the mining plan the provision for stripping ratio created in previous years was no longer required and written back in financial year 2016-17

**Other comprehensive Income**

Items that will not be reclassified to P&L	Year ended 31-03-2017	Year ended 31-03-2016
<b>Remeasurement of Defined Benefit Plan Loss/Gain</b>		
Gratuity	(1,489)	(23,197)
Leave encashment	(3,462)	(11,604)
Gratuity plan asset OCI	2,499	325
Leave encashment plan asset OCI	210	217
Increase/Decrease in fair value of investments	-	(5,657)
Deferred tax on above items	(1,468)	8,291
<b>Total</b>	<b>(3,710)</b>	<b>(31,625)</b>





**35. Contingent liabilities and Commitments**

(To the extent not provided for)

(Rupees in '000's)

Sl. no	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>A.</b>	<b>Claims against the company not acknowledged as debts consisting of:</b>			
i.	Against the cases pending with Money suits and arbitration.	9,80,785	8,41,615	4,70,591
ii.	Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	4,34,315	68,749	1,18,505
iii.	Capital Commitment towards Chimakurthy Black Galaxy Granite Project- Land towards Consideration of land admeasuring to 266.86 acres for Patta land at Chimakurthy belonging to Animal Husbandry Department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196	62,196
iv.	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000	-



<p>v.</p>	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the Income Tax authorities disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		
<p>a.</p>	<p>To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.</p>		
<p>b.</p>	<p>To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13</p>		



	and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.			
c.	It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.			
d.	The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.			
e.	And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.			
	i) Aggregate till end of the Previous year	31,31,209	25,12,193	23,97,218
	ii) For the year(net off payment)	5,55,796	6,19,016	1,14,975
vi.	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	47,180	1,73,545



<b>B. Contingent liability on BG's:</b>			
i. Bank Guarantees furnished to different Departments on behalf of the company	63,00,000	6,50,209	19,44,328

**\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid are as follows. (Rupees in 000's)**

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Expl.	441	153	287
1999-00	Expl.	429	92	336
2000-01	Expl.	678	169	508
2002-03	Expl	-	432	-
2003-04	Expl	-	50	-
2004-05	Expl	301	301	-
2005-06	Expl	4,515	4,515	-
2006-07	Expl	5,039	5,039	-
2007-08	Expl	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Expl & Consil.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



**Andhra Pradesh Mineral Development Corporation Limited**

**36. Classification of financial instruments**

**A.** Classification of financial liabilities and financial assets are classified in accordance with the accounting policies

**As at 31st March, 2017**

(Rs. In. '000')

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Instruments designated at amortised cost</b>						
Non current investments	3	-	-	22,027	-	22,027
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	10,04,238	-	10,04,238
Trade receivables	9	-	-	3,26,167	-	3,26,167
Cash and Cash equivalents	10.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	10.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	5	-	-	73,567	-	73,567
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	69,91,332	-	69,91,332
Advances to staff	12	-	-	263	-	263
Interest receivable	12	-	-	2,68,314	-	2,68,314
Insurance claim receivable	12	-	-	-	-	-
		-	-	92,13,565	-	92,13,565
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	2,59,181	2,59,181
<b>Other financial liabilities</b>						
Relating to employees	17 & 21	-	-	-	23,353	23,353
Expenses payable against Infrastructure Development	17 & 21	-	-	-	68,500	68,500
Others	17 & 21	-	-	-	26,54,167	26,54,167
Deposits	17 & 21	-	-	-	2,94,168	2,94,168
Interest Payable	17 & 21	-	-	-	-	-
		-	-	-	34,99,369	34,99,369

**As at 31st March, 2016**

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Instruments measured at fair value</b>						
Non current investments	3	-	-	22,037	-	22,037
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	21,615	-	21,615
Trade receivables	9	-	-	1,39,610	-	1,39,610
Cash and Cash equivalents	10.1	-	-	1,52,923	-	1,52,923
Bank balances other than above	10.2	-	-	11,57,690	-	11,57,690
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	66,545	-	66,545
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	63,39,073	-	63,39,073
Advances to staff	12	-	-	227	-	227
Interest receivable	12	-	-	2,33,884	-	2,33,884
Insurance claim receivable	12	-	-	7	-	7
		-	-	81,33,611	-	81,33,611
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	87,918	87,918
<b>Other financial liabilities</b>						
Relating to employees	17 & 21	-	-	-	42,679	42,679
Expenses payable against Infrastructure Development	17 & 21	-	-	-	1,89,378	1,89,378
Others	17 & 21	-	-	-	5,73,951	5,73,951
Deposits	17 & 21	-	-	-	4,40,045	4,40,045
Interest payable	17 & 21	-	-	-	4,10,848	4,10,848
		-	-	-	17,44,819	17,44,819





As at 1st April, 2015

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non-Current Investments	3	-	-	22,022	-	22,022
<b>Financial assets not measured at fair value</b>						
Trans	4 & 11	-	-	19,037	-	19,037
Trade receivables	9	-	-	1,21,806	-	1,21,806
Cash and Cash equivalents	10.1	-	-	1,09,043	-	1,09,043
Bank balances other than above	10.2	-	-	59,89,369	-	59,89,369
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	4,046	-	4,046
Advance recoverable in cash	5 & 12	-	-	10,106	-	10,106
Deposit with others	5 & 12	-	-	11,23,155	-	11,23,155
Advances to staff	12	-	-	1,11,917	-	1,11,917
Interest receivable	12	-	-	2,18,660	-	2,18,660
Insurance claim receivable	12	-	-	-	-	-
		-	-	77,31,365	-	77,31,365
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	1,50,000	1,50,000
Trade payables	16 & 20	-	-	-	29,157	29,167
<b>Other financial liabilities</b>						
Relating to Employees	17 & 21	-	-	-	83,668	83,668
Expenses payable against Infrastructure Development	17 & 21	-	-	-	1,92,379	1,92,379
Others	17 & 21	-	-	-	1,86,443	1,86,443
Deposits	17 & 21	-	-	-	2,48,899	2,48,899
Interest Payable	17 & 21	-	-	-	4,83,766	4,83,766
		-	-	-	13,74,323	13,74,323

### 37 Financial Risk Management

#### A Management of Credit Risk

- Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.
- Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

#### B Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

#### i. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Barytes	2,82,898	(2,82,898)	3,14,506	(3,14,506)

##### b. Packing material price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Packing material	(1,567)	1,667	(1,255)	1,255



**6. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
<b>Name of the expense</b>				
Excavation & Transport Charges for RUM	(20,057)	20,057	(12,712)	12,712
Excavation & Transport Charges for Overburden	(1,38,610)	1,38,610	(80,261)	80,261

**38. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2017**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	32,40,187	7,33,126	24,47,061	-
	<b>34,99,368</b>	<b>10,52,308</b>	<b>24,47,061</b>	-

**As at 31st March 2016**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	89,718	83,142	4,776	-
Other financial liabilities	16,56,901	5,14,345	13,42,555	-
	<b>17,46,619</b>	<b>6,97,488</b>	<b>10,47,331</b>	-

**As at 1st April 2015**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings	1,50,000	1,50,000	-	-
Trade payables	29,167	22,707	6,460	-
Other financial liabilities	11,93,156	3,22,697	8,65,459	-
	<b>13,72,323</b>	<b>5,02,404</b>	<b>8,71,919</b>	-

**39. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2017	As at 31-03-2016
Employers contribution to provident fund	6,817	7,879
Employers contribution to pension fund	4,641	4,633

**B. Defined benefit plans :**

The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31st March 2017 & 31st March 2015:

Particulars	Gratuity			Leave Encashment		
	As at 31-03-2017	As at 03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Change in benefit obligations</b>						
Benefit obligations at the beginning	52,450	47,945	49,700	47,022	49,354	49,561
Service cost	1,446	1,655	1,663	3,461	3,519	316
Interest expenses	3,718	-	3,976	3,291	-	3,887
Fulfillment (gains)/losses	-	-	-	-	-	-
Transfer of obligation (net)	-	-	-	-	-	-
Benefits paid	(12,032)	(20,306)	(13,636)	(11,764)	(17,555)	(7,337)
Remeasurements - Actuarial (gains)/losses	1,489	23,197	6,242	3,462	11,605	3,907
<b>Benefit obligations at the end</b>	<b>47,111</b>	<b>52,491</b>	<b>47,945</b>	<b>45,475</b>	<b>47,022</b>	<b>49,354</b>





Particulars	Gratuity			Leave Encashment		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Change in Plan Assets						
Fair Value of Plan Assets at the beginning	34,294	43,616	45,516	28,726	41,127	41,362
Interest Income	(74)	3,572	3,991	1,996	1,151	3,647
Employer Contributions	12,707	7,067	6,765	9,001	1,785	1,460
Benefits Payments from Plan Assets	(12,032)	(20,306)	(11,636)	(11,764)	(17,555)	(7,337)
Actuarial gain / (loss) on plan assets	2,495	325	-	210	218	-
Benefit obligations at the end	37,394	34,294	43,516	31,169	28,726	41,127

ii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	As at 03-2016	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Service cost	1,446	1,555	3,464	1,619
Interest Expenses	3,792	(3,572)	(1,705)	(3,151)
Net expense recognised	5,238	(1,917)	1,759	468

iii. Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	As at 03-2016	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Actuarial (gain)/losses on obligations for the period	1,489	23,197	3,462	11,604
Actuarial (gain)/losses on plan assets for the period	(2,459)	(325)	(210)	(217)
Net (income)/expenses for the period	(910)	22,872	3,252	11,387

Assumptions Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	As at 03-2016	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Rate of discounting	8.00%	8.00%	8.00%	8.00%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

iv. Summary of Demographic Assumptions

Particulars	Gratuity			Leave Encashment		
	As at 31-03-2016	As at 04-2015	As at 04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Mortality Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Disability Rate	-	-	-	5.00%	5.00%	5.00%
Withdrawal Rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal Retirement Age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Adjusted Average Future Service	12.39	12.13	11.33	-	-	-
Leave encashment rate	-	-	-	10.00%	10.00%	10.00%
Leave availment rate	-	-	-	2.00%	2.00%	2.00%

v. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity			Leave Encashment	
	As at 03-2016	As at 04-2015	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Expected Cash flow in year 1	11,128	12,567	12,567	12,310	13,114
Expected Cash flow in year 2	12,958	10,533	10,533	13,060	9,925
Expected Cash flow in year 3	2,642	12,127	12,127	5,590	10,819
Expected Cash flow in year 4	3,269	2,450	2,450	4,670	4,524
Expected Cash flow in year 5	5,081	2,560	2,560	4,613	3,774
Expected Cash flow in year 6	4,401	4,643	4,643	3,697	3,686
Expected Cash flow in year 7	4,397	4,125	4,125	3,575	3,024
Expected Cash flow in year 8	2,578	4,172	4,172	1,893	2,908
Expected Cash flow in year 9	2,661	2,310	2,310	1,894	1,503
Expected Cash flow in year 10	3,123	2,668	2,668	1,658	1,559



vi. Significant estimates: Sensitivity analysis

Discount rate, Salary escalation rate and Withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below

Effect on Gratuity valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	47,112	52,490	0.00%	0.00%
Salary Escalation - Up by 1%	48,701	54,316	3.40%	3.50%
Salary Escalation - Down by 1%	45,418	50,600	-3.60%	-3.60%
Withdrawal Rates - Up by 1%	47,593	52,962	1.03%	0.90%
Withdrawal Rates - Down by 1%	46,586	51,976	-1.10%	-1.00%
Discount Rates - Up by 1%	45,775	50,545	-3.90%	-3.70%
Discount Rates - Down by 1%	49,144	54,634	4.30%	4.10%

vii. Effect on Leave Encashment valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	45,875	47,022	0.00%	0.00%
Salary Escalation - Up by 1%	47,091	48,681	3.60%	3.50%
Salary Escalation - Down by 1%	43,947	45,445	-3.40%	-3.40%
Withdrawal Rates - Up by 1%	45,683	47,234	0.50%	0.50%
Withdrawal Rates - Down by 1%	45,256	46,799	-0.50%	-0.50%
Discount Rates - Up by 1%	44,786	45,794	-2.60%	-2.60%
Discount Rates - Down by 1%	46,751	48,338	2.80%	2.80%

viii. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments

ix. Liability risks

a. Discount rate risk

Variances in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

b. Future salary escalation and inflation risk

Since once inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk

x. Earnings per share

Particulars	As at 31-03-2017	As at 31-03-2016
Profit after tax	31,71,833	29,95,078
Profit available for Equity Shareholders	31,71,833	29,95,078
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal value of equity share	1,000	1,000
Basic Earnings Per Share (In Rupees)	50,356	47,494
Equity shares used to compute diluted earnings per share	63,062	63,062
Diluted Earnings Per Share (In Rupees)	50,356	47,494

xi. Related Party Transactions

A. List of related parties

(% of holding)

Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Ongole Iron Ore Mining Company Pvt Ltd	51.00%	51.00%	51.00%
Andhra Phosphate Private Limited	50.00%	50.00%	50.00%
APMDC SCL Sulayan Coal Company Ltd	51.00%	51.00%	51.00%
Nuzvid Coal Company Limited	50.00%	50.00%	50.00%

Joint Venture Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Iron Ore Company Ltd	11.00%	11.00%	11.00%
Gimpex AP Barytes Beneficiation Private Limited	11.00%	11.00%	11.00%
Trimex Baryte Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Granite (MIDWEST) Private Limited	11.00%	11.00%	11.00%
Pallavur Granite Private Limited	11.00%	11.00%	11.00%
V V Minerals Private Limited	12.36%	12.36%	12.36%
Alkaree Andhra Pradesh Black Granites Pvt Ltd	11.00%	11.00%	11.00%
Agawani Mineral Development Private Ltd	26.00%	26.00%	26.00%
Arham Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Isra Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Margasree Granites (P) Ltd	26.00%	26.00%	26.00%
Ongole Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
RLP Granites (P) Ltd	26.00%	26.00%	26.00%
SRAP Minerals Private Limited	26.00%	26.00%	26.00%
A.P.Coastal Sand & Metals Pvt Ltd	26.00%	26.00%	26.00%
Andhra Pradesh Tribal Mining (P) Ltd	26.00%	26.00%	26.00%



**Key Management Personnel**

Name of the related party	Relation
Sri Ch. Venkatesh Choudary, I.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP State Fertiliser Ltd	Fellow Government company

**B. Related Party Transactions****Amounts of Revenue from the related parties**

Name of the party	Consideration	Other income (Dividend)
M/s.A.P. Granites (Midwest) P Ltd	1,64,819	4,403
M/s. Pallava Red Granites	31,042	-

**C. (a) Amount Due (to)/from related parties:**

Party Name	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s. SRAP Minerals	4,503	4,495	4,496
M/s.A.P. Granites (Midwest) P Ltd	1,30,914	98,488	78,031
M/s. Alliance A.P. Black Galaxy Granites (P) Ltd	1,721	1,721	1,713
M/s. Pallava Red Granites	46,946	36,507	23,754

**D. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s. SRAP Minerals	4,503	4,495	110
M/s. A.P. Granites (Midwest) Pvt Ltd	12,056	-	-

**E. Balance during the year with related parties**

Investment in Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Ongole Iron Ore Mining Company Pvt Ltd *	561	561	561
Andhra Pradesh Private Limited *	1,110	1,110	1,110
APMDC - SCCL Suiyan Coal company ltd *	51	51	51
Ngamon Coal company limited *	5,957	5,957	300
<b>Total</b>	<b>7,679</b>	<b>7,679</b>	<b>2,022</b>
* Investment Dereated/provision	1,671	-	-
z Investment Dereated/provision	6,308	6,008	-

**F. Investment in Joint Venture Companies**

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited *	8,525	8,525	8,525
Andhra Pradesh Iron Ore Company Ltd *	69	69	69
Gimpex AP Barytes Beneficiation Pvt Ltd *	13	13	13
Trimex Baryte Private Limited *	4,500	4,500	4,500
Andhra Pradesh Granite (MIDWEST) Pvt Ltd	11,000	11,000	11,000
Pallavared Granite Private Limited	11,000	11,000	11,000
V.V. Minerals Private Limited %	110	110	110
Alliance Andhra Pradesh Black Granites Pvt Ltd *	11,000	11,000	11,000
Aswari Mineral Development Private Ltd *	650	650	650
Arham Minerals Exports (P) Ltd *	1,300	1,300	1,300
Lara Minerals Exports (P) Ltd *	1,300	1,300	1,300
Marganese Granites (P) Ltd *	1,300	1,300	1,300
Ongole Minerals Exports (P) Ltd *	3,250	3,250	3,250
RLP Granites (P) Ltd *	3,250	3,250	3,250
SRAP Minerals Private Limited *	3,250	3,250	3,250
A.P. Coastal Sand & Metals Pvt Ltd *	130	130	130
Andhra Pradesh Tribal Mining (P) Ltd %	286	286	286
<b>Total</b>	<b>60,933</b>	<b>60,933</b>	<b>60,933</b>
* Investment Dereated/provision	13,237	-	-
% Investment Dereated/provision	396	396	-
* Investment Dereated/provision	25,300	25,300	25,300



G. Key Managerial Personnel:

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Sri Ch.Venkatesh Chowdary, I.R.S	228	1,093	816

H. Interest free loan to related parties

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
AP State Fibernet Ltd	1,00,000	-	-

42 Deferred tax asset/(Liability)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Tax effect on items constituting deferred tax assets</b>			
Provision for employee benefits	4725	1,830	5,708
Provision for decommissioning asset	16191	15,062	13,327
Property, plant and equipment	6382	-	-
Provision for stripping adjustment	-	3,56,415	3,65,140
Other provisions	42,207	32,318	6,079
<b>Total deferred tax asset</b>	<b>74,505</b>	<b>8,05,625</b>	<b>3,90,204</b>
<b>Tax effect on items constituting deferred tax liabilities</b>			
Property, plant and equipment	-	5,414	10,113
Investments	5,076	5,076	5,076
<b>Total deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,189</b>
<b>Deferred tax asset/(Liability) - Net</b>	<b>69,429</b>	<b>7,95,135</b>	<b>3,75,015</b>



#### 43.CSR Expenditure

A. Gross amount required to be spent by the company during the year is Rs.70,685.54 thousands.

B. Amount spent during the year

(Rupees in 000's)

Sl No	Particulars	Year ended 31-03-2017	Year ended 31-03-2016
i.	Construction / Acquisition of any assets	-	-
ii.	Purpose other than above	19,160	11,113

#### 44. Treatment demerger plan in the Books of accounts

A. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana.

B. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.

C. In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.

D. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.

E. The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC & TSMDC and the formula for bifurcation was approved.

F. The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for this purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.

G. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC -58.32%
- TSMDC -41.68%





H. APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

I. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:**

(Rupees in 000's)			
Equity & Liabilities	Common Pool	AP	TS
<b>Ratio</b>		58.32%	41.68%
<b>Shareholder's Funds</b>			
a) Share capital	63,062	36,778	26,284
b) Reserve & Surplus	1,04,28,142	6,081,692	43,46,449
c) Deferred Govt. Grants	19	11	8
<b>Current/ Non-Current liabilities</b>			
a) Deferred tax liability	2,358	1,375	983
b) Trade payables	23,38,003	13,63,524	9,74,480
c) Other current liabilities	6,66,827	3,88,894	2,77,934
d) Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
a). Fixed Assets (WDV)	34,405	20,065	14,340
b). Non-Current Investment	49,944	29,128	20,817
c). Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
a). Inventories	1,393	813	581
b). Trade receivables	16,563	9,659	6,903
c). Cash & Bank Balances	439	256	183
d). Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
e). Other Fixed Deposits	81,62,135	47,60,157	34,01,978
f). Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### 45. General

- A. Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period is material.
- B. Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations.
- C. Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.
- D. All amounts have been reported in thousands except for the share data and earning per share (EPS).

#### 46. Explanation of Transition to IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1.1 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April 2015 (the Company's date of transition).

The Company has prepared the opening balance sheet as per Ind AS as on 1<sup>st</sup> April, 2015 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from the previously applicable Indian GAAP to Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

##### Exemptions availed on first time adoption of Ind-AS 101

##### a. Deemed Cost for Property, Plant and Equipment and Intangible Assets

The company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### b. Decommissioning Liabilities

A first-time adopter need not to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:





- Measure the liability at the transition date in accordance with Ind AS 37;
- Using the historical risk adjusted discount rate, determine the amount which would have been capitalised when the liability first arose; and
- Compute the amount of depreciation based on the estimated useful life.

Accordingly, the Company has elected to apply the exemption for the obligations arising on account of decommissioning cost.

**c. Leases**

For transition to Ind AS, the company has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

**d. Investment In subsidiaries, joint arrangements and associates**

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in Subsidiaries, Joint arrangements and Associates either:

- at cost; or
- in accordance with Ind AS 109.

Hence by availing the exemption the Investments in Subsidiaries, Joint arrangements and associates are measured at cost.

**e. Classification and measurement of financial assets**

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement and hence, classification and measurement needs to be done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

**For Sriramamurthy & Co**

Chartered Accountants  
Firm Regn No.003032S

*D. T. Sagar*

**Dondeti Teja Sagar**  
Partner  
Mem No.227878



**Place: Vijayawada**  
**Date: 14<sup>th</sup> July, 2022**

UDIN: 22227878 AMYRCH7S10

**for and on behalf of the board of directors**

*V.G. Venkata Reddy*

**V.G. Venkata Reddy**  
VC&MD  
DIN: 08805525

*D. Ramadevi*

**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*

**A. Nageswara Reddy**  
General Manager-F&A



**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of Equity as previously reported under IGAAP to Ind AS**

(Rs. in '000's)

Particulars	As on 31-03-2016			As on 01-04-2015		
	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2,33,756	(12,030)	2,21,725	1,29,317	(914)	1,28,403
Capital work-in-progress	-	-	-	61,459	-	61,459
Other intangible assets	749	(318)	421	907	(74)	833
<b>Financial assets</b>						
Investments	44,036	(22,000)	22,037	44,957	(22,936)	22,022
Loans	20,559	-	20,559	19,037	-	19,037
Others (to be specified)	60,91,476	3,14,141	64,05,618	8,23,120	3,14,141	11,37,262
Deferred tax assets (Net)	76,621	7,18,513	7,95,134	14,774	3,60,242	3,75,016
Other Non-current assets	26,64,925	21,751	26,86,675	19,86,319	(63,147)	19,23,172
Non-current tax assets (Net)	7,26,053	-	7,26,053	-	-	-
<b>Current assets</b>						
Inventories	6,11,518	-	6,11,518	6,65,414	-	6,65,414
<b>Financial assets</b>						
Trade receivables	1,39,610	-	1,39,610	1,23,806	-	1,23,806
Cash and cash equivalents	1,52,923	-	1,52,923	1,09,043	-	1,09,043
Other bank balances	11,57,690	-	11,57,690	59,89,369	-	59,89,369
Loans	1,056	-	1,056	-	-	-
Others (to be specified)	2,34,118	-	2,34,118	3,30,827	-	3,30,827
Current Tax Assets (Net)	-	-	-	3,98,498	-	3,98,498
Other current assets	15,65,761	290	15,66,051	70,419	592	79,012
<b>TOTAL ASSETS</b>	<b>1,37,20,071</b>	<b>10,20,337</b>	<b>1,47,40,408</b>	<b>1,07,75,286</b>	<b>5,87,905</b>	<b>1,13,63,191</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	63,062	-	63,062	63,062	-	63,062
Other equity	91,72,076	12,34,822	1,04,06,898	69,34,504	4,82,657	74,17,161
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	4,776	-	4,776	5,460	-	6,460
Other financial liabilities	10,42,555	-	10,42,555	6,67,928	1,87,531	8,65,459
Provisions	22,65,991	(36,807)	22,29,184	11,68,001	(59,907)	11,08,093
Other non-current liabilities	64,528	-	64,528	4,35,810	-	4,35,810
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	-	-	-	1,50,000	-	1,50,000
Trade payables	83,142	-	83,142	22,707	-	22,707
Other financial liabilities	5,95,179	19,167	6,14,346	3,27,390	2,307	3,29,697
Other current liabilities	1,95,425	-	1,95,425	9,64,741	-	9,64,741
Provisions	7,33,338	(1,96,845)	5,36,493	14,683	(34,683)	-
Current tax liabilities (Net)	-	-	-	-	-	-
<b>Total liabilities</b>	<b>44,84,934</b>	<b>(2,14,485)</b>	<b>42,70,449</b>	<b>37,77,720</b>	<b>1,05,248</b>	<b>38,82,969</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,37,20,071</b>	<b>10,20,337</b>	<b>1,47,40,408</b>	<b>1,07,75,286</b>	<b>5,87,905</b>	<b>1,13,63,192</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of Profit and loss for the year ended 31-03-2016**

(Rs. in '000's)

Particulars	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>Income</b>			
Revenue from operations	62,90,163	-	62,90,163
Other income	7,28,105	-	7,28,105
<b>Total</b>	<b>70,18,269</b>	<b>-</b>	<b>70,18,269</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	25,098	-	25,098
[Increase]/Decrease in inventories	53,313	-	53,313
Employee benefits expense	2,92,206	(84,949)	2,07,257
Finance costs	5,696	3,036	8,732
Depreciation and amortization expense	26,496	11,031	37,527
Power and fuel	75,885	-	75,885
Excavation & transport charges	18,59,864	-	18,59,864
Other expenses	6,85,995	(86,276)	5,99,719
<b>Total Expenses</b>	<b>30,24,553</b>	<b>(1,57,157)</b>	<b>28,67,396</b>
<b>Profit/(Loss) before Exceptional items and tax</b>	<b>39,93,716</b>	<b>1,57,157</b>	<b>41,50,873</b>
<b>Add : Exceptional Items (Net)</b>	<b>(2,57,246)</b>	<b>2,57,246</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>	<b>37,36,470</b>	<b>4,14,403</b>	<b>41,50,873</b>
<b>Less : Tax expenses</b>			
Earlier years	20,215	-	20,215
Current tax	15,47,408	-	15,47,408
Deferred tax	(61,847)	(3,49,979)	(4,11,826)
<b>Total tax expense</b>	<b>15,05,775</b>	<b>(3,49,979)</b>	<b>11,55,796</b>
<b>Profit/(Loss) for the year from continuing operations</b>	<b>22,30,695</b>	<b>7,64,382</b>	<b>29,95,077</b>
Profit/(Loss) from discontinuing operations	-	-	-
Less : Tax expense of discontinuing operations	-	-	-
<b>Profit/(Loss) from discontinuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>	<b>22,30,695</b>	<b>7,64,382</b>	<b>29,95,077</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit and loss account	-	(39,916)	(39,916)
Income tax relating to above items	-	8,291	8,291
Items that will not be reclassified to Profit and loss account	-	-	-
Income tax relating to above items	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>(31,625)</b>	<b>(31,625)</b>
<b>(Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>22,30,695</b>	<b>7,32,757</b>	<b>29,63,452</b>
<b>Earnings per equity share</b>			
<b>[Nominal value of share Re.1000 /-]</b>	<b>35,373.04</b>	<b>12,121.12</b>	<b>47,494.16</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			



**INDEPENDENT AUDITORS' REPORT**

To  
**The Members of  
Andhra Mineral Development Corporation Limited**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of requirements of Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

#### **Basis for Qualified Opinion**

We draw attention to the following:

- i) In the absence of the audited financial statements or management certified accounts, for the year ended 31<sup>st</sup> March 2017, the transactions of subsidiaries and share in profit/losses of joint ventures, of the below mentioned entities are not incorporated in these consolidated Ind AS financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL suliyari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Aswani Mineral Development Private Ltd	Joint Venture	26.00%
12	Arham Minerals Exports (P) Ltd	Joint Venture	26.00%
13	Isra Minerals Exports (P) Ltd	Joint Venture	26.00%
14	Margasree Granites (P) Ltd	Joint Venture	26.00%
15	Ongole Minerals Exports (P) Ltd	Joint Venture	26.00%
16	RLP Granites (P) Ltd	Joint Venture	26.00%
17	SRAP Minerals Private Limited	Joint Venture	26.00%
18	A.P.Coastal Sand & Metals Pvt Ltd	Joint Venture	26.00%
19	Andhra Pradesh Tribal Mining (P) Ltd	Joint Venture	26.00%



Holding Company's Basis for qualified Opinion (As stated in the report of standalone financial statements):-

- ii) The Holding company has passed entries for bifurcation in the past years except w.r.t share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for verification. Consequent to bifurcation, the amounts transferred by the Holding Company to M/s Tetangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by M/s TSMDC. Further, The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to M/s TSMDC based on estimates for which no supporting document was produced. Hence, we are not able to comment on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment account	17	Other Financial liability(non-current)	32,38,69,314	Cr
2	Interest on the Portion of FDRs,BGs,and Sweep- SBI allocated to TSMDC	17	Other Financial liability(non-current)	61,21,14,691	Cr
3	APMDC - TSMDC - suliyari coal block	17	Other Financial liability(non-current)	1,25,07,58,691	Cr
4	APMDC - TSMDC - Advances	7	Other Non-current Assets	21,59,87,063	Dr
5	TSMDC - Advance [ Tr.of.Lia & Assets]	7	Other Non-current Assets	7,70,01,656	Dr
6	Demerger Adjustment Account of Fixed Deposits and Fixed Deposits Kept for BGs	7	Other Non-current Assets	59,28,83,337	Dr
7	Fixed Deposits	5	Other Financial Assets (Non-Current)	5,65,44,00,220	Dr
8	Fixed Deposits Kept for Bank Guarantees	5	Other Financial Assets (Non-Current)	41,89,21,427	Dr
9	Fixed Deposits kept for Bg without Lien	5	Other Financial Assets (Non-Current)	91,79,56,185	Dr
10	Sweep Account (SBI, Khairatabad)	5	Other Financial Assets (Non-Current)	6,67,42,244	Dr
11	Interest Accrued on Fixed Deposits	12	Other Financial Assets (Current)	17,80,40,591	Dr
12	Interest Accrued on Fixed Deposits kept for Bank Guarantee	12	Other Financial Assets (Current)	42,99,356	Dr
13	Interest Accrued on FDR BG Without Lien	12	Other Financial Assets (Current)	7,78,48,063	Dr
14	Interest Accrued on Sweep Account SBI	12	Other Financial Assets (Current)	74,10,829	Dr



15	Interest on Fixed Deposits	26	Other Income	41,40,41,656 Cr
16	Interest on Fixed Deposits Kept for BG	26	Other Income	1,12,70,470 Cr
17	Interest on Fixed Deposits BGs without lien	26	Other Income	5,34,60,553 Cr
18	Interest Receipts Sweep a/c (Khairatabad)	26	Other Income	43,51,442 Cr

iii) The Holding company is required to disclose contingent liabilities as per IND AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2017 by the Holding company could not be audited by us as the Holding company has not provided the related legal litigation files for our understanding and verification.

iv) The following Ledger balances as on 31<sup>st</sup> March 2017 are subject to receipt of Utilisation certificate and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at 31 <sup>st</sup> March 2017
Advance E.E Panchayat Raj Rajampet	EE Panchayat Raj, Rajampet	98,00,000
Deposit with rehabilitation	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector	District Collector, Cuddapah	28,52,37,861
Deposit with Land Aquation	Regional District Officer, Cuddapah	5,97,085
Deposit with Sub-Treasury	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificate and confirmation from respective party/ statutory authority, we are unable to ascertain the whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Ind AS financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the IND AS financial statements.

vi) Stores and Spares item wise ledgers amounting to Rs. 72,13,480 have not been provided for verification. Further, physical verification reports have also not been furnished in respect of store items. Accordingly, their existence and usability could not be ascertained. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis. The resultant impact on the INDAS Financial Statements could not be ascertained.





vii) During the year, the Holding Company has advanced a interest free loan of Rs. 100 Crores to M/s Andhra Pradesh State Fibrenet Limited. In the absence of the details of the terms, security and other relevant documentation, we are unable to comment on whether the loan is secured or not and whether or not the same are made at terms which are prejudicial to the interest of the Holding company or its members.

viii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red dated 3rd March 2008 and M/s Midwest Granite dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent on due date in few scenarios due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the INDAS Financial Statements could not be ascertained.

x) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable and Deposit for court Fees payable amounting to Rs. 28.40 Crores. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with contractors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated INDAS financial statements.

x) The Holding Company has balances in Sales Tax Payable, APVAT Payable, Deposit with Sales Tax Department, and Deposit with Service Tax Department amounting to 1.22 Crores (Credit), 1.32 Crores (Credit), Rs. 5.74 Crores (Debit) and Rs. 1.16 Crores (Debit) respectively. The documents pertaining to the Tax cases enty are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the consolidated INDAS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.

xi) The Holding Company has balances in Tax Assets amounting to Rs. 72.60 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. The Revised Return based on the Audited Financials are yet to be filed since Financial Year 2014-15. Any effect on account of revising previous year as well as current year returns has not been provided for in the books. Further the company has not disclosed the relationship between tax expense and accounting profit as prescribed under INDAS 12.

xii) The Holding company has Trade Receivables balance amounting to Rs. 16.49 Crores. Confirmations from Trade Receivables are not available. Considering non reconciliation of General Ledger balance with Sub Ledger balances and non-confirmation from parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated INDAS financial statements.



- xiii) We were informed that the balance in the following ledgers are pending final settlement on account of delayed court proceedings: -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C.-S.C.K.C.-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further the balance in the respective ledger balances are subject to confirmation and reconciliation on account of the dispute between the parties and APMDC. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated INDAS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31<sup>st</sup> March, 2017, and its consolidated financial performance including other comprehensive Income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following:

- Note No 34 of the consolidated Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.

Our opinion is not modified in respect of the above matter.

#### Other Matters

We did not audit the financial statements/financial information of M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) and M/s Pallava Red Granite Private Limited (Joint Venture). The consolidated Ind AS financial statements include the Group's share of Net Loss of Rs. 77.02 lakhs for the year ended 31<sup>st</sup> March 2017 in respect of the above two joint ventures. These financial statements/financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint ventures and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditors



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
- b) Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the holding Company so far as it appears from our examination of those books and the reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
- e) As per Notification F. No. 1/2/2014-CL. V dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the holding Company is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements- Refer Note 2.35 to the Consolidated Ind AS financial statements.
  - ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
  - iv. The Holding Company has not complied with the terms of Section 124 of the Companies Act, 2013 w.r.t. Unpaid Dividends. Further in terms of Section 123(6) of the said Act, the Holding Company cannot pay dividend since the Holding Company has violated provisions of Section 73 of the Companies Act, 2013.



- v. The Holding Company has not provided requisite disclosures in the Consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.
- 2 We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



*[Signature]*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN : 22227878AMYRJ17786

#### **Annexure- A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2017)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") as of March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

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

The respective Board of Directors of the entities of the Group, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Subject to the matters described in Basis for Qualified Opinion paragraph, we believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports



is sufficient and appropriate to provide a basis for our audit opinion on the Group internal financial controls over financial reporting.

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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding company is currently following manual system of accounting and did not have an effective system for timely accounting of entries.
- e) Non implementation of IT system for the nature and volume of activities of the Holding Company



A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at 31<sup>st</sup> March 2017 and these material weaknesses has affected our opinion on the consolidated financial statements of the Group and we have issued a Qualified opinion on the financial statements of the Holding Company.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN : 22227878AMYRJ17786



**ANNEXURE-B to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether The holding Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds are not available in respect of 1.67 Acres at Mangampeta (Carrying Amount: 23,43,585) and 2.07 Acres at Dwarakatipuramala (Carrying Amount: 1877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record.
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved	There are no cases of waiver/ write off of debts/loans/interest.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2016-17.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the holding Company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies, a) Where grants are taken as revenue for the year, whether the concerned orders are	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.



	<p>clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provision of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	The Holding Company has accounted for Tax Deducted at Source or Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the holding Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans [with or without government guarantee] and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned</p>	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there is no Public Deposit Account in the name of the Holding Company.




	unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the holding Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly
7.	Whether the land owned by the holding Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory other than stores and spares in FY 2017-18 and reconciled the same with 31st March 2017 after making adjustments for stock movements after 31st March 2017. Discrepancies noted were reduced from the Closing Stock as on 31st March 2017. The details pertaining to deterioration/obsolescence in the quality have not been shared and consequently, we are unable to comment upon the same
9.	Whether the cost incurred on abandoned projects has been written off?	According to the Information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the holding Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of Information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether The holding Company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.



	the relief and rehabilitation of displaced people.	
13.	Whether The holding Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/Ms-KDP/2013 dt 25/05/2016.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.
15.	Whether The holding Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether The holding Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Consolidated Ind AS financial statements.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

For Srirama murthy & Co  
Chartered Accountants  
FRN 003032S



CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN : 22227878AMYRJ17786

**Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Balance Sheet**

(Rs. in '000's)

Particulars	Note No	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,94,248	2,21,225	1,28,403
Capital work-in-progress	2	29,62,799	-	61,459
Other intangible assets	2	194	421	833
<b>Financial assets</b>				
Investments	3	24,210	27,522	40,410
Loans	4	2,998	20,559	19,037
Other financial assets	5	70,64,845	64,05,618	11,37,267
Deferred tax assets (Net)	6	69,429	7,95,134	3,75,016
Other non-current assets	7	15,31,376	26,86,375	19,23,172
Non-current tax assets (Net)	7.1	7,26,074	7,26,053	3,98,498
<b>Current assets</b>				
Inventories	8	14,52,053	6,11,518	6,65,414
<b>Financial assets</b>				
Trade receivables	9	3,26,167	1,39,610	1,23,806
Cash and cash equivalents	10.1	2,34,508	1,52,923	1,09,043
Other bank balances	10.2	2,93,148	11,57,690	59,89,369
Loans	11	10,01,241	1,056	-
Other financial assets	12	7,68,631	2,38,518	3,32,147
Other current assets	13	9,82,345	15,66,071	79,032
<b>TOTAL ASSETS</b>		<b>1,73,34,267</b>	<b>1,47,50,294</b>	<b>1,13,82,900</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	63,062	63,062	63,062
Other equity	15	1,35,80,913	1,04,16,783	71,36,869
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	16	-	4,776	6,460
Other financial liabilities	17	24,47,061	10,42,555	8,65,459
Provisions	18	46,784	22,29,184	10,95,559
Other non-current liabilities	19	77,570	64,528	4,35,810
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		-	-	1,50,000
Trade payables	20	2,59,181	83,142	22,707
Other financial liabilities	21	7,93,126	6,14,346	3,29,697
Other current liabilities	22	15,087	1,95,425	9,64,741
Provisions	23	24,023	36,493	12,535
Current tax liabilities	24	27,459	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,73,34,267</b>	<b>1,47,50,294</b>	<b>1,13,82,900</b>

The accompanying notes are an integral part of these consolidated financial statements

**As per our report of even date**

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

*D.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



**Place : Vijayawada**  
**Date : 14<sup>th</sup> July, 2022**

**For and on behalf of the Board of Directors**

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Rama Devi*  
**D. Rama Devi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A



UDIN : 22227878AMYRJ17786



**Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Statement of Profit and Loss for year ended 31-03-2017**

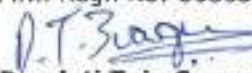
(Rs. in '000's)

Particulars	Note	Year ended 31-03-2017	Year ended 31-03-2016
<b>Income</b>			
Revenue from operations	25	36,57,969	62,90,163
Other income	26	7,04,094	7,25,785
<b>Total (I)</b>		<b>63,62,062</b>	<b>70,15,949</b>
<b>Expenses</b>			
Cost of materials consumed	27	33,333	75,099
Changes in inventories of finished goods	28	(8,42,145)	53,313
Employee benefits expense	29	2,54,791	2,07,257
Finance costs	30	76,447	8,732
Depreciation and amortization expense	31	44,432	37,527
Power and fuel		71,997	75,885
Excavation & transport charges	32	31,73,342	18,59,864
Other expenses	33	5,97,209	5,99,719
<b>Total (II)</b>		<b>34,09,406</b>	<b>28,67,396</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>29,52,657</b>	<b>41,49,553</b>
Add : Exceptional items (Net)	34	21,85,664	-
<b>Profit/(Loss) before tax</b>		<b>51,38,321</b>	<b>41,49,553</b>
Share of profit from joint ventures		(3,302)	(8,503)
<b>Less : Tax expense /(benefit)</b>			
Earlier years		4,976	20,215
Current tax		12,37,965	15,47,408
Deferred tax		7,24,236	(4,11,827)
<b>Total tax expense /(benefit)</b>		<b>19,67,178</b>	<b>11,55,796</b>
<b>Profit/(Loss) from continuing operations</b>		<b>31,67,841</b>	<b>29,85,254</b>
Profit/(Loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit/(Loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the year (A)</b>		<b>31,67,841</b>	<b>29,85,254</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(2,242)	(30,016)
Income tax on above items		(1,468)	8,291
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total Other Comprehensive Income for the year (B)</b>		<b>(3,710)</b>	<b>(31,625)</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>31,64,130</b>	<b>29,53,630</b>
<b>Earnings per equity share (In.Rs)</b>			
[Nominal value of share Rs.1000 /-]		<b>50,234</b>	<b>47,338</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these consolidated financial statements

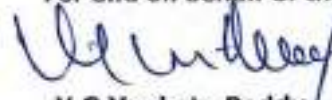
**As per our report of even date**

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878

**Place : Vijayawada**  
**Date : 14<sup>th</sup> July, 2022**

**For and on behalf of the Board of Directors**

  
**V.G.Venkata Reddy**  
VC & MD  
DIN: 08805525

  
**D. Ramadevi**  
Director  
DIN: 08076054

  
**A.Nageswara Reddy**  
General Manager - F&A



UDIN : 22227878 AMYRJ17786

**Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated Statement of Changes in equity for the year ended 31-03-2017**

**A. Equity share capital**

Particulars	No of Shares	(Rs. in '000's)
	Amount	
Balance as at 1st April, 2015	63,062	63,062
Changes in equity share capital during 2015-16	-	-
Balance as at 31st March, 2016	63,062	63,062
Changes in equity share capital during 2016-17	-	-
Balance as at 31st March, 2017	63,062	63,062

**B. Other Equity**

Particulars	Reserves and Surplus		Other Comprehensive Income				Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actuarial Gains/losses reserve	Deferred tax on OCI Items
<b>Balance at the beginning of reporting period - 01-04-2015</b>	22,000	7,094	14,75,316	59,37,535	-	-	(5,076)
Profit for the period for the year	-	-	-	29,85,254	-	-	-
Other comprehensive income for the year	-	-	-	-	15,657	(34,259)	8,291
Total comprehensive income for the year	-	-	-	29,85,254	(5,657)	(34,259)	8,291
Transfer to reserve for bad and doubtful debts	-	905	-	(906)	-	-	-
Transfer to general reserve	-	-	4,43,069	(2,23,069)	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(26,514)	-	34,801	(8,291)
Portion of share capital allotted to Telangana region	-	-	26,284	-	-	-	-
<b>Balance at the end of reporting period - 31-03-2016</b>	22,000	8,000	17,24,670	86,72,305	(5,657)	942	(5,076)
Profit for the year	-	-	-	31,67,841	-	-	-
Other comprehensive income for the year	-	-	-	-	-	(2,242)	(1,468)
Total comprehensive income for the year	-	-	-	31,67,841	-	(2,242)	(1,468)
Transfer to reserve for bad and doubtful debts	-	10,690	-	(10,690)	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(6,422)	-	4,951	1,468
<b>Balance at the end of reporting period - 31-03-2017</b>	22,000	18,689	17,24,670	1,10,23,030	(5,657)	3,251	(5,076)
							<b>1,35,80,913</b>





**Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Cash flow statement for the year ended 31-03-2017**

(Rs. in '000's)

Particulars	31-03-2017	31-03-2016
Profit before tax from continuing operations	51,35,018	41,41,050
<b>Adjustments for</b>		
Interest expense	76,447	8,732
Interest income	(6,36,004)	(6,54,089)
Dividend income	-	-
Depreciation/amortization on continuing operations	44,432	37,527
Loans & advances written off	-	89
Bad & doubtful debts	41,922	20,137
Assets written off	45	2
Loss/(profit) on sale of fixed assets	-	(9)
Provision for diminution in value of investments	3,312	7,231
Remeasurement of defined benefit plans	(2,242)	(34,259)
<b>Operating profit before working capital changes</b>	<b>46,62,931</b>	<b>35,26,412</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	1,71,263	58,750
Increase/(decrease) in provisions	(21,70,675)	11,54,546
Increase/(decrease) in other financial liabilities	15,80,009	4,64,910
Increase/(decrease) in other liabilities	(1,67,296)	(11,14,315)
Decrease/(increase) in trade receivables	(2,28,479)	(35,942)
Decrease/(increase) in inventories	(8,40,535)	53,896
Decrease/(increase) in other assets	2,89,491	(24,03,890)
Decrease/(increase) in other financial assets	(6,50,372)	(51,59,703)
Decrease/(increase) in other bank balances (current)	8,64,542	48,31,679
Decrease/(increase) in loans	(9,82,623)	(2,667)
<b>Cash generated from operations</b>	<b>25,28,257</b>	<b>13,73,677</b>
Direct taxes paid (net of refunds)	12,42,962	18,95,177
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,85,294</b>	<b>(5,21,500)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and Capital advances	(17,30,839)	85,167
Proceeds from sale of fixed assets	-	9
Interest received	5,97,036	6,39,064
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(11,33,803)</b>	<b>7,24,240</b>
Proceeds from borrowings	-	(1,50,000)
Interest paid	(69,906)	(8,860)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(69,906)</b>	<b>(1,58,860)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	81,585	43,880
Cash and cash equivalents at the beginning of the year	1,52,923	1,09,043
<b>Cash and cash equivalents at the end of the year</b>	<b>2,34,508</b>	<b>1,52,923</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	89	143
With banks accounts	2,34,420	1,52,780
<b>Total cash and cash equivalents (Note 10)</b>	<b>2,34,508</b>	<b>1,52,923</b>

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

*P.T. Sagar*

**Dondeti Teja Sagar**  
Partner  
Mem No.227878

Place: Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN : 22227878 AMYRJ17786

For and on behalf of the Board of  
Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
D. Ramadevi  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A



## **APMDC LIMITED**

### **Notes forming part of the Consolidated Financial Statements**

#### **1. Corporate Information**

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

#### **1.1 Significant Accounting Policies**

##### **a. Statement of Compliance**

For all the periods up to and including the year ended March 31, 2016 the Group prepared its financial statements in accordance with Generally Accepted Accounting Principles (Indian GAAP) and complied with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements of Companies Act, 2013.

Pursuant to the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (hereinafter referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and relevant provisions of the Companies Act, 2013 with effect from April 1, 2016. The consolidated financial statements for the year ended 31<sup>st</sup> March 2017 are the first financial statements of the Company prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. Previous periods have been restated to Ind AS.

##### **b. Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



**c. Basis of consolidation**

The Consolidated Financial Statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- ii) In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- iii) An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- iv) A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- v) Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- vi) The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.



**d. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**e. Use of estimates and judgement**

The preparation of Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Information about critical estimates, judgements or assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities.

**f. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.



A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

#### **g. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

##### **i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of excise duty but net of other taxes collected on behalf of third parties.

##### **ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect and service taxes

##### **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

##### **iv. Interest Income**

Interest Income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset.





While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **h. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Group's past experiences.

Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.



Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

**i. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The Intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

**j. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.





**k. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**l. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**m. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads.

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

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.



## **n. Employee benefits**

### **Short term employee benefit obligations**

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

### **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

### **Post-employment obligation**

The Group operates the following post-employment schemes

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

### **Defined Benefit Plan**

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

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



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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **o. Taxes on Income**

Income tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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



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

**p. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**q. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.



As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans.

In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed.

Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.



**r. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

**s. Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

**t. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**u. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.



**v. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**w. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**x. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**y. Financial instruments**

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





Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.



In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

#### **iv. De-recognition of financial assets**

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

#### **Financial liabilities - Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

#### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.



**z. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**aa. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**ab. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ac. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:



- It is probable that the future economic benefits (Improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment for the year ended 31.03.2016**

**Note - 2**

Particulars	Deemed Cost as at 01.04.2015	Additions	Disposals/ adjustments	Cost as at 31.03.2016	Depreciation For the Year	Accumulated Depreciation as at 31.03.2016	Rs. in '000's	
							Net carrying amount as at 31.03.2016	Net carrying amount as at 31.03.2016
Free hold land	30,120	52,335	-	82,455	-	-	82,455	82,455
Buildings	24,290	2,351	-	26,641	3,833	3,833	22,809	22,809
Plant and Machinery	28,853	65,566	2	94,417	11,532	11,532	82,885	82,885
Furniture & Fixtures	1,786	768	-	2,553	735	735	1,818	1,818
Vehicles	5,398	758	-	6,156	2,471	2,471	3,685	3,685
Office Equipment	2,339	1,408	-	3,827	1,863	1,863	1,964	1,964
Mining and Equipment	28,311	731	-	29,042	10,089	10,089	18,953	18,953
Data Processing Equipment (Co)	1,906	5,789	-	7,695	3,143	3,143	4,552	4,552
Library	0	-	-	-	-	-	-	-
Tent & Huts	10	27	-	37	22	22	15	15
Lease hold improvements	3,230	-	-	3,230	3,230	3,230	-	-
Mining property	1,976	-	-	1,976	77	77	1,900	1,900
<b>Total</b>	<b>1,28,403</b>	<b>1,29,819</b>	<b>2</b>	<b>2,58,219</b>	<b>36,994</b>	<b>36,994</b>	<b>2,21,225</b>	<b>2,21,225</b>
<b>Capital Work In progress</b>	<b>61,459</b>	<b>-</b>	<b>61,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Deemed Cost as at 01.04.2015	Additions	Disposals/ adjustments	Cost as at 31.03.2016	Depreciation For the Year	Accumulated Depreciation as at 31.03.2016	Rs. in '000's	
							Net carrying amount as at 31.03.2016	Net carrying amount as at 31.03.2016
Computer Software	833	121	-	954	533	533	421	421
<b>Total</b>	<b>833</b>	<b>121</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>533</b>	<b>421</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment for the year ended 31-03-2017**

**Note -2**

Particulars	Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	Accumulated Depreciation as at 31.03.2016	Depreciation For the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2017	Net carrying amount as at 31.03.2017	Net carrying amount as at 31.03.2016
Free hold land	82,455	1,45,497	-	2,27,947	3,833	3,363	-	7,184	2,27,947	82,455
Buildings	26,611	4,134	33	31,042	11,514	18,207	11	29,739	23,857	22,803
Plant and machinery	94,417	17,483	3	1,11,897	735	703	11	1,426	82,157	82,885
Furniture & fixtures	2,353	753	30	3,276	2,471	1,962	-	4,432	1,850	1,818
Vehicles	6,156	2,985	-	9,141	1,653	1,573	9	3,425	4,708	3,685
Office equipment	3,827	2,308	14	6,123	10,094	17,761	-	27,852	2,697	1,964
Mining and equipment	29,232	36,805	-	66,036	3,143	4,375	-	7,518	43,184	19,147
Data processing equipment	7,695	4,117	-	11,812	22	1,195	-	1,216	4,294	4,552
Tent & huts	37	2,897	-	2,934	5,230	-	-	3,230	1,718	15
Lease hold improvements	3,230	-	-	3,230	77	66	-	142	1,854	1,920
Mining property	1,976	-	-	1,976	-	-	-	-	-	-
<b>Total</b>	<b>2,58,219</b>	<b>2,17,273</b>	<b>78</b>	<b>4,75,414</b>	<b>36,994</b>	<b>44,206</b>	<b>33</b>	<b>81,156</b>	<b>3,31,248</b>	<b>2,21,215</b>
<b>Capital Work in progress</b>	<b>-</b>	<b>25,47,759</b>	<b>-</b>	<b>25,47,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,47,759</b>	<b>-</b>
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Particulars</b>	<b>Cost as at 01.04.2016</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2017</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments</b>	<b>Accumulated Depreciation as at 31.03.2017</b>	<b>Net carrying amount as at 31.03.2017</b>	<b>Net carrying amount as at 31.03.2016</b>
Computer software	954	-	-	954	533	226	-	760	194	421
<b>Total</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>226</b>	<b>-</b>	<b>760</b>	<b>194</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended 31-03-2017**

(Rs. in '000's)

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Non-current Investments	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Unquoted equity instruments - Investments measured at cost</b>			
<b>Investment in subsidiary companies</b>			
i. M/s APMDCL - SSSI Salyan coal company Ltd 5,100 Shares allotted of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	51 (51)	51 (51)	51 (51)
ii. M/s Ruzgaon coal company Ltd 3,000 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	3,957 (3,957)	3,957 (3,957)	300 (300)
iii. M/s.Dantidihara Minerals (P) Ltd. 18,921 equity Shares of Rs.10/- each fully Paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
iv. M/s.ONGC Iron Ore Mining Company Pvt. Ltd 56,100 Equity Shares Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
<b>Investment in Joint Venture</b>			
v. M/S. Aswan Mineral Development (P) Ltd. 65,300 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
vi. M/S SRAP Mineral (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
vii. M/s. Ashani Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
viii. M/s Isra Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
ix. M/s. Mangalore Granites (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
x. M/s. Ongole Minerals Exports (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xi. M/s. RLP Granites (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xii. M/s A.P.Granites (Midwest) P Ltd 21,00,000 equity shares of Rs.10/- each fully paid up	21,410	21,146	26,194
xiii. M/s Alliance A.P.Granite Galaxy Granites (P) Ltd 11,00,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
xiv. M/s Patana Red Granites (P) Ltd 11,00,000 equity shares of Rs.100/- each fully paid up	1,174	8,040	14,195
xv. M/s. A.P.Coastal sands & Minerals Pvt Ltd, 13,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)	130 (130)
xvi. M/s Simpex AP Barytes Sanitization (P) Ltd 1,320 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
xvii. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)
xviii. M/s Andhra Pradesh Iron Ore Company Ltd 6,850 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)	69 (69)
xix. M/s.Times Barco Private Ltd 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)	4,500 (4,500)





ix. M/s.V.V. Minerals (P) Ltd 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)	110 (110)
xxi. M/s. Andhra Pradesh Paper Mills 1,110 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1,110 (1,110)	1,110 (1,110)	1,110 (1,110)
xxii. M/S.Andhra Pradesh Paper Mills (P) Ltd 28,600 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	286 (286)	286 (286)	286 (286)
<b>Investments measured at amortised cost</b>			
<b>Investment in Government Securities (unquoted)</b>	7,118	7,128	7,113
Less: Provision made for doubtful investment	(7,092)	(7,092)	(7,092)
	<b>1,210</b>	<b>27,522</b>	<b>40,410</b>

Aggregate amount of quoted investments - Market value

Aggregate amount of quoted investments - Book value

Aggregate amount of unquoted investments

Aggregate provision for diminution in value of investments

Aggregate Provision made for doubtful investment

4	Loans (Non-current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Security Deposits</b>			
	Unsecured, considered good	-	18,293	16,052
	Doubtful	3,274	754	-
	Less: Provision for doubtful debts	(3,274)	(754)	-
	<b>Vehicle loans to staff</b>			
	Secured considered good	2,963	1,630	1,519
	Unsecured and considered good	-	-	-
	<b>Other Loans to staff</b>			
	Unsecured, considered good	314	536	1,466
	Doubtful	10	-	-
	Less: Provision for doubtful items	(10)	-	-
	<b>Total</b>	<b>2,998</b>	<b>20,559</b>	<b>19,037</b>
5	Other Financial Assets (Non-Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Balance in current accounts (Frozen)	5,779	6,119	-
	Long term bank deposits	55,31,278	63,39,073	11,23,109
	Balance in post office savings account	4,042	4,042	4,046
	Less: Provision for impairment	(3,990)	-	-
	Fixed deposits	65,742	56,389	-
	Advance recoverable in cash	-	-	10,106
	<b>Total</b>	<b>70,64,845</b>	<b>64,05,618</b>	<b>11,37,261</b>
6	Deferred tax asset (Net)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Deferred tax liability</b>			
	Property, plant & equipment	-	5,414	10,111
	Investment	5,076	5,076	5,076
	<b>Gross deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,187</b>
	<b>Deferred tax asset</b>			
	Property, plant & equipment	6,382	-	-
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	3,724	1,830	5,708
	Provision for decommissioning costs	16,191	15,062	14,417
	Provision for grouping activity adjustment	-	7,56,415	1,65,140
	Provision for bad & doubtful debts, investments & advances	42,207	32,318	6,029
	<b>Gross Deferred tax asset</b>	<b>74,505</b>	<b>8,05,624</b>	<b>3,90,293</b>
	<b>Net deferred tax liability/(asset)</b>	<b>(19,429)</b>	<b>(7,95,134)</b>	<b>(3,75,016)</b>



7	<b>Other Non-current assets</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>A) Capital advances</b>			
	Secured and considered good	-	-	-
	Unsecured and considered good	2,39,616	16,88,849	18,42,496
	Doubtful	26,093	26,073	-
	Provision for doubtful advances	(26,093)	(26,073)	-
		<b>2,39,616</b>	<b>16,88,849</b>	<b>18,42,496</b>
	<b>B) Advances other than capital advances</b>			
	i) Advances to related parties	-	-	-
	ii) Other advances	-	-	-
	Secured good	-	-	-
	Unsecured, considered good	5,04,095	5,95,950	45,035
	Doubtful	22,160	22,927	165
	Less: Provision for doubtful items	(22,160)	(22,927)	(133)
		<b>9,04,805</b>	<b>5,96,950</b>	<b>45,068</b>
	<b>C) Others</b>			
	Balance with statutory Authorities	-	-	-
	Secured, considered good	-	-	-
	Unsecured, considered good	3,36,755	4,00,576	38,607
	Doubtful	6,052	997	-
	Provision Expense	-	-	-
	Less: Provision for doubtful items	(6,052)	(997)	-
		<b>3,86,856</b>	<b>4,00,576</b>	<b>38,607</b>
	<b>Total</b>	<b>16,31,376</b>	<b>26,86,375</b>	<b>19,23,172</b>
7.1	<b>Non current tax assets (Net)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Advance tax</b>			
	Corporate tax receivable	7,26,053	7,26,353	67,756
	Tax collected at source	21	-	5
	Tax deducted at source	-	-	3,30,734
	Advance payment of tax	-	-	-
	<b>Total</b>	<b>7,26,074</b>	<b>7,26,353</b>	<b>3,98,496</b>
8	<b>Inventories</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Finished Goods	1,15,639	6,03,493	6,56,837
	Less: Provision made	(799)	-	-
	Stores and spares - at cost	7,213	8,024	8,607
	<b>Total</b>	<b>14,52,053</b>	<b>6,11,518</b>	<b>6,65,444</b>
9	<b>Trade receivables (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Secured, considered good	-	-	-
	Unsecured, considered good	3,26,167	1,39,510	1,23,606
	Doubtful	46,283	28,596	2,449
	Less: Provision for doubtful debts	(46,283)	(28,596)	(5,449)
	<b>Total</b>	<b>3,26,167</b>	<b>1,39,510</b>	<b>1,23,606</b>
10	<b>Cash and cash equivalents</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
10.1	<b>Cash and cash equivalents</b>			
	Balances with banks:			
	In current accounts	2,34,420	1,52,700	1,08,934
	Cash on hand	80	143	109
	(A)	<b>2,34,508</b>	<b>1,52,923</b>	<b>1,09,043</b>
10.2	<b>Other bank balances</b>			
	In sweep accounts	1,93,148	11,57,690	1,70,800
	Fixed deposits with maturity >3 months but <12 months	-	-	58,58,560
	(B)	<b>2,93,148</b>	<b>11,57,690</b>	<b>59,89,369</b>
	<b>Total</b>	<b>5,27,657</b>	<b>13,10,613</b>	<b>60,88,412</b>



11	Loans (current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Unsecured, considered good			
	Vehicle loans to staff	897	783	-
	Short term loan to AP state fertilizer Ltd - Refer note no.42 (n)	10,00,000	-	-
	Other loans to staff	344	754	-
	<b>Total</b>	<b>10,81,241</b>	<b>2,055</b>	<b>-</b>
12	Other financial assets (Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Deposits with others	54	-	57
	Advances receivable in cash			
	Unsecured, considered good	267	227	1,11,517
	Doubtful			
	Interest receivable	2,72,853	2,33,884	2,16,050
	Less: Provision made	(4,535)	-	-
	Insurance claim receivable		7	
	Dividend Receivable		4,410	1,320
	<b>Total</b>	<b>2,68,631</b>	<b>2,38,518</b>	<b>3,32,147</b>
13	Other assets (Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	A) Advances recoverable			
	i) Advances to related parties	-	-	-
	ii) Other advances	-	-	-
	Secured and good			
	Unsecured and considered good	63,174	15,55,459	52,369
	Doubtful			
	Less: Provision for doubtful debts			
		63,174	15,55,459	52,368
	B) Others - Specified			
	Balance with statutory authorities	8,93,447	766	73,219
	Prepaid expenses	5,734	9,316	3,444
	<b>Total</b>	<b>9,82,345</b>	<b>15,65,071</b>	<b>79,032</b>
14	Share capital	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Authorised share capital:			
	10000 equity shares of Rs.1000/- each	1,00,000	1,00,000	1,00,000
	(Previous year: 100000 equity shares of Rs.1000/- each)			
		1,00,000	1,00,000	1,00,000
	Issued, subscribed and fully paid up share Capital:			
	63,062 equity shares of Rs.1000/- each fully paid up in cash	63,062	63,062	63,062
	(Previous year: 63,062 equity shares of Rs.1000/- each)			
		63,062	63,062	63,062
<b>Additional notes</b>				
<b>14.1</b>				
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>				
	Particulars	As at 31.03.2017	As at 31.03.2016	
	Shares outstanding at the beginning of the year	63,062	63,062	
	Shares issued during the year	-	-	
	Shares outstanding at the end of the year	63,062	63,062	
<b>14.2</b>				
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company, after disbursement of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.				
<b>14.3</b>				
<b>The details of shares in the Company held by each shareholder holding more than 5% shares</b>				
	Name of the share holder	As at 31.03.2017	As at 31.03.2016	
	Governor of the Andhra Pradesh represented by Assistant Secretary	63,059	63,059	
	(100%)	(100%)	(100%)	
	to Government (Ministry) Industries & Commerce department			



15	Other equity	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Capital Reserves</b>			
	<b>FREE REDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH ALLOTTED BY</b>			
	i) M/s. Oaroonam Minerals Pvt. Ltd. 18921 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
	ii) M/s. Aswari Mineral Development Pvt. Ltd. 650 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
	iii) M/s. SRAP Minerals (P) Ltd. 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
	iv) Arham Minerals Exports (P) Ltd. 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
	v) Tara Minerals Exports (P) Ltd. 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
	vi) Mangashree Granites (P) Ltd. 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
	vii) Onqine Minerals Exports (P) Ltd. 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
	viii) RLP Granites (P) Ltd. 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
	ix) M/s. A.P. Granite (Kalyani) P. Ltd. 11000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
	x) M/s. Alliance A.P. Black Galaxy Granites (P) Ltd. 11000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
	xi) M/s. Pallava Red Granites (P) Ltd. 11000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
	xii) M/s. A.P. Coastal sands & Metals Pvt. Ltd., 1200 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	120 (120)	120 (120)	120 (120)
	xiii) M/s. Grade Iron Ore Mining Company Pvt. Ltd. 56100 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
	xiv) M/s. Girdex AP Barites Beneficial (P) Ltd. 13 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
	xv) M/s. Andhra Barite Corporation (P) Ltd. 85250 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)



xvi. M/s Andhra Pradesh Iron Ore Company Ltd 6,950 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)	69 (69)
xvii. M/s Trimex Bante Private Ltd 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)	4,500 (4,500)
xviii. M/s. V.V. Minerals (P) Ltd 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)	110 (110)
<b>Other comprehensive income reserve</b>			
Balance as per last financial statements	110,191	15,076	-
Other comprehensive income for the year	(3,710)	(51,625)	(5,076)
<b>Add/(Less): Transferred from/(to) retained earnings</b>	6,426	26,510	-
<b>Closing balance</b>	<b>(7,482)</b>	<b>(10,191)</b>	<b>(5,076)</b>
<b>Reserve for bad and doubtful debts</b>			
Balance as per the last financial statements	6,000	7,094	4,441
Add/(Less): Transferred from to profit and loss account	10,600	906	2,153
<b>Closing balance</b>	<b>16,600</b>	<b>8,000</b>	<b>7,094</b>
<b>General Reserve</b>			
Balance as per the last financial statements	16,70,878	14,75,316	8,86,728
(Less): Depreciation adjustment	-	-	(5,514)
Add/(Less): Portion of share capital allotted to Telangana region	-	26,284	(26,284)
Add/Transfer from profit & loss account	-	2,21,069	88,846
Add/(Less): Ind AS adjustments	-	-	5,41,336
Deferred tax thereon	-	-	-
<b>Closing balance</b>	<b>16,70,878</b>	<b>17,24,670</b>	<b>14,75,316</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>			
Balance as per the last financial statements	81,79,822	59,17,505	51,58,972
Profit for the year	35,59,115	79,85,254	8,60,482
Add: Transfer from other comprehensive income	-	-	-
<b>Less: Appropriations</b>			
Transferred from/to other comprehensive income	5,420	26,510	2,153
Reserve for bad and doubtful debts	11,630	906	88,846
Transfer to general reserve	-	2,23,069	15,706
Interim dividend	-	-	1,152
Tax on interim dividend	-	-	-
Total appropriations	17,109	3,50,485	1,09,919
<b>Net surplus in statement of profit and loss</b>	<b>1,10,20,828</b>	<b>86,72,305</b>	<b>59,37,535</b>
<b>Total reserves and surplus taken to balance sheet</b>	<b>1,35,80,913</b>	<b>1,04,16,793</b>	<b>74,36,869</b>

16	<b>Trade payables</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Due to others	-	4,776	6,460
	<b>Total</b>	<b>-</b>	<b>4,776</b>	<b>6,460</b>

17	<b>Other financial liabilities (Non-Current)</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Relating to employees	-	-	178
	Amounts payable to Govt. of India	-	-	1,500
	Expenses payable against infrastructure development	8,500	1,89,378	1,75,666
	Others	2,68,071	4,38,745	6,911
	Deposits	10,490	6,861	1,97,531
	Interest payable	-	1,87,571	4,83,653
	<b>Total</b>	<b>24,47,061</b>	<b>10,42,555</b>	<b>8,65,459</b>





18	<b>Provisions (Non-current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for Others:			
	Provision for sampling activity adjustment	-	21,85,664	10,55,075
	Provision for decommissioning cost	46,784	41,523	40,484
	<b>Total</b>	<b>46,784</b>	<b>22,29,184</b>	<b>10,95,559</b>
19	<b>Other Non-current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	156	3,57,699
	Statutory liabilities	77,570	64,177	77,570
	Royalties payable	-	-	342
	<b>Total</b>	<b>77,570</b>	<b>64,328</b>	<b>4,35,610</b>
20	<b>Trade payables (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Trade payables			
	Due to MSMED parties	-	-	-
	Due to others	2,59,181	83,142	27,767
	<b>Total</b>	<b>2,59,181</b>	<b>83,142</b>	<b>27,767</b>
	Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the companies and the reduced disclosures are given below			
	<b>Due to small and medium enterprises</b>	<b>As at March 31, 2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	a) Principal amount and interest due thereon	-	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-	-
	Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors			
21	<b>Other financial liabilities (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Salaries & other benefits payable	23,353	42,679	63,490
	Expenses payable against infrastructure development	-	-	18,594
	Deposits	2,83,678	4,33,104	51,363
	Interest payable	-	3,277	153
	Other payables	4,86,096	1,35,206	1,78,032
	<b>Total</b>	<b>7,93,127</b>	<b>6,14,346</b>	<b>3,29,692</b>
22	<b>Other current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	1,65,103	9,45,402
	Statutory liabilities	15,087	30,823	19,339
	<b>Total</b>	<b>15,087</b>	<b>1,95,423</b>	<b>9,64,741</b>
23	<b>Provisions (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for employee benefits:			
	Provision for gratuity	9,716	10,196	4,339
	Provision for leave benefits	14,905	18,296	8,227
	<b>Total</b>	<b>24,623</b>	<b>36,493</b>	<b>12,566</b>
24	<b>Current tax liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for income tax	27,459	-	-
	<b>Total</b>	<b>27,459</b>	<b>-</b>	<b>-</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated profit and loss account for the year ended 31-03-2017**

(Rs. in '000's)

25	<b>Revenue from operations</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Sale of products	54,60,532	61,39,617
	Other operating revenue	1,97,437	1,50,546
	<b>Total</b>	<b>56,57,969</b>	<b>62,90,163</b>
26	<b>Other income</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Interest on fixed deposits	4,14,042	4,54,665
	Interest on fixed deposits kept for BG	11,270	9,548
	Interest on sweep a/c- AB somajiguda	1,51,886	1,29,447
	Interest on sweep a/c- SBI, khamatabad	4,351	4,769
	Interest on electricity deposits	766	713
	Interest on FDR BGs without lien	53,461	54,632
	Interest on Investments - NSC bonds	4	62
	Interest on postal saving bank account	6	-
	Interest on loans to staff	718	752
	Other interest receipts	17,318	4,352
	Other (Miscellaneous) Income	13,295	9,907
	Rent receipts	654	1,472
	Forfeiture of security deposit	467	33,689
	Penalty on RQM/OB	-	1,593
	Penalty on buyers/millers	28,679	-
	Sale of tender documents	899	1,378
	Profit on sale of assets	-	9
	Sale of scrap	36	-
	Freight & insurance on despatches	376	172
	Excess provision written back	6,371	20,125
	<b>Total</b>	<b>7,04,094</b>	<b>7,26,785</b>
27	<b>Cost of materials consumed</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Consumption of packing material	33,333	25,098
	<b>Total</b>	<b>33,333</b>	<b>25,098</b>
28	<b>Changes in inventories of finished goods</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	a) Opening stock of finished goods	6,03,494	6,56,807
	<b>Total</b>	<b>6,03,494</b>	<b>6,56,807</b>
	b) Closing stock of Finished Goods	14,45,639	6,03,494
	<b>Total</b>	<b>14,45,639</b>	<b>6,03,494</b>
	<b>Changes in inventories of finished goods</b>	<b>(8,42,145)</b>	<b>53,313</b>





29	<b>Employee benefit expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Salaries and wages	1,70,364	1,43,428
	Bonus	13,601	14,372
	Employer's contribution to PF and other funds	26,798	12,751
	Staff welfare and other expenses	35,494	32,560
	Salary to VC & MD	998	1,093
	Leave encashment	7,535	3,053
	<b>Total</b>	<b>2,54,791</b>	<b>2,07,257</b>
30	<b>Finance costs</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Interest expense	-	5,696
	Int. payment against advance (Barytes Customers)	73,183	-
	Unwinding of discounting of provision for decommissioning	3,264	3,036
	<b>Total</b>	<b>76,447</b>	<b>8,732</b>
31	<b>Depreciation and amortization expense</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Depreciation of tangible assets	44,206	36,994
	Amortization of intangible assets	226	533
	<b>Total</b>	<b>44,432</b>	<b>37,527</b>
32	<b>Excavation &amp; transport charges</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Excavation & transport charges for ROM	4,01,145	2,54,638
	Excavation & transport charges for overburden	27,72,197	16,05,276
	<b>Total</b>	<b>31,73,342</b>	<b>18,59,864</b>
33	<b>Other expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Rents	10,390	8,940
	Repairs & maintenance	13,296	10,858
	Insurance	667	536
	Rates and taxes	21,652	28,001
	<b>Other expenses</b>		
	Operating expenses	1,60,825	95,988
	Royalty & other levies	7,165	13,315
	Selling expenses	74,007	41,932
	Prospecting & mining lease expenses	16,199	46,477
	Travelling & conveyance charges	-	12,161
	Office & general expenses	73,168	2,71,602
	Audit fee for statutory auditors	500	635
	Audit fee for other auditors	506	530
	Expenses to auditors	129	223
	Printing & stationery	3,147	7,651
	Postage, telegrams & telephones	4,987	2,579
	Corporate social responsibility expenses	19,160	11,113
	Remuneration to out sourced services	1,33,883	-
	Bad & doubtful debts (expenses)	41,922	20,137
	Bad & doubtful advances (Provision)	-	50,168
	Bad & doubtful investments (Provision)	4,502	-
	Provision for non moving stock	799	-
	Fixed assets written off	45	2
	Other assets written off	-	16,762
	Data processing charges	3,241	-
	Loss in transit	2,548	-
	Rehabilitation expenses	4,470	-
	Loans & advances written off	-	89
	<b>Total</b>	<b>5,97,209</b>	<b>5,98,719</b>



<b>Payment to Auditors</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
Statutory audit fee	500	535
<b>Total</b>	<b>500</b>	<b>635</b>

<b>34</b>	<b>Exceptional Items (Net)</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
	Provision for stripping adjustment no longer required	21,85,664	-
	<b>Total</b>	<b>21,85,664</b>	<b>-</b>

During the year ended March 31, 2017, the company has reversed provision held for "excavation and transport charges payable on over burden on shortfall as per stripping ratio as per mining plan" amounting to Rs.218.56 crores. The reversal of provision was on account of change in mining plan and corresponding change in estimate of stripping ratio. The modified mining plan was approved by deputy director of mines and geology, Kadapa region on 25-05-2016. Due to change in stripping ratio as per the mining plan the provision for stripping ratio created in previous years was no longer required and written back in financial year 2016-17.

**Other comprehensive income**

<b>Items that will not be reclassified to P&amp;L</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>Remeasurement of Defined Benefit Plan Loss/Gain</b>		
Gratuity	(1,489)	(23,197)
Leave encashment	(3,462)	(11,604)
Gratuity plan asset OCI	2,490	325
Leave encashment plan asset OCI	210	217
Increase/Decrease in fair value of investments	-	(5,657)
Deferred tax on above items	(1,468)	8,291
<b>Total</b>	<b>(3,710)</b>	<b>(31,625)</b>



**35.Contingent liabilities and Commitments**

(To the extent not provided for)

(Rupees in '000's)

Sl. no	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>A.</b>	<b>Claims against the company not acknowledged as debts consisting of:</b>			
<b>i.</b>	Against the cases pending with Money suits and arbitration.	9,80,785	8,41,615	4,70,591
<b>ii.</b>	Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	4,34,315	68,749	1,18,505
<b>iii.</b>	Capital Commitment towards Chimakurthy Black Galaxy Granite Project- Land towards Consideration of land admeasuring to 266.86 acres for Patta land at Chimakurthy belonging to Animal Husbandry Department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196	62,196
<b>iv.</b>	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000	



v.	<p>The Corporation is contributing MRTU Fund as per G.O.RT No 237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the Income Tax authorities disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p> <p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13</p>		
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	and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.			
c.	It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.			
d.	The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.			
e.	And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.			
	i) Aggregate till end of the Previous year	31,31,209	25,17,193	23,97,218
	ii) For the year(net off payment)	5,55,796	6,19,016	1,14,975
vi.	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	47,180	1,73,545



<b>B.</b>	<b>Contingent liability on BG's:</b>			
i.	Bank Guarantees furnished to different Departments on behalf of the company	63,00,000	6,50,209	19,44,328

**\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and remaining un paid are as follows, (Rupees in 000's)**

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Expl.	441	153	287
1999-00	Expl.	429	92	336
2000-01	Expl.	678	169	508
2002-03	Expl	-	432	-
2003-04	Expl	-	50	-
2004-05	Expl	301	301	-
2005-06	Expl	4,515	4,515	-
2006-07	Expl	5,039	5,039	-
2007-08	Expl	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Expl & Consi.	20,044	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	3,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,160</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,601	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>





**Andhra Pradesh Mineral Development Corporation Limited**

**35 Classification of financial instruments**

**4.** Classification of financial liabilities and financial assets are classified in accordance with the accounting policies.

**As at 31st March, 2017**

(Rs. In. '000')

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments designated at amortised cost</b>						
Non current investments	3	-	-	24,210	-	24,210
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	10,04,238	-	10,04,238
Trade receivables	5	-	-	1,26,167	-	1,26,167
Cash and Cash equivalents	10.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	12.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	5	-	-	73,567	-	73,567
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	69,91,332	-	69,91,332
Advances to staff	12	-	-	263	-	263
Interest receivable	12	-	-	2,68,314	-	2,68,314
Insurance claim receivable	12	-	-	-	-	-
		-	-	92,15,749	-	92,15,749
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	2,59,181	2,59,181
<b>Other financial liabilities</b>						
Relating to Employees	17 & 21	-	-	-	23,353	23,353
Expenses payable against Infrastructure Development	17 & 21	-	-	-	68,500	68,500
Others	17 & 21	-	-	-	28,54,167	28,54,167
Deposits	17 & 21	-	-	-	2,94,168	2,94,168
Interest Payable	17 & 21	-	-	-	-	-
		-	-	-	34,96,369	34,96,369

**As at 31st March, 2016**

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non current investments	3	-	-	27,522	-	27,522
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	21,615	-	21,615
Trade receivables	9	-	-	1,39,610	-	1,39,610
Cash and Cash equivalents	10.1	-	-	1,52,923	-	1,52,923
Bank balances other than above	12.2	-	-	11,57,690	-	11,57,690
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	66,545	-	66,545
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	63,39,073	-	63,39,073
Advances to staff	12	-	-	227	-	227
Interest receivable	12	-	-	2,33,884	-	2,33,884
Insurance claim receivable	12	-	-	-	-	-
		-	-	81,39,097	-	81,39,097
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	87,918	87,918
<b>Other financial liabilities</b>						
Relating to employees	17 & 21	-	-	-	42,679	42,679
Expenses payable against infrastructure development	17 & 21	-	-	-	1,89,378	1,89,378
Others	17 & 21	-	-	-	5,73,951	5,73,951
Deposits	17 & 21	-	-	-	4,40,045	4,40,045
Interest payable	17 & 21	-	-	-	4,10,848	4,10,848
		-	-	-	17,44,819	17,44,819





As at 1st April, 2015

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non Current investments	3	-	-	40,410	-	40,410
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	17,037	-	17,037
Trade receivables	9	-	-	1,23,806	-	1,23,806
Cash and Cash equivalents	10.1	-	-	1,09,043	-	1,09,043
Bank balances other than above	10.2	-	-	59,69,366	-	59,69,366
<b>Other Financial assets</b>						
Balance with banks and post office	5	-	-	4,046	-	4,046
Advance recoverable in cash	5 & 12	-	-	10,106	-	10,106
Deposit with others	5 & 12	-	-	11,73,159	-	11,73,159
Advances to staff	12	-	-	1,11,917	-	1,11,917
Interest receivable	12	-	-	2,16,860	-	2,16,860
Insurance claim receivable	12	-	-	-	-	-
				77,49,754	-	77,49,754
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	1,50,000	1,50,000
Trade payables	16 & 20	-	-	-	29,167	29,167
<b>Other financial liabilities</b>						
Relating to Employees	17 & 21	-	-	-	83,668	83,668
Expenses payable against Infrastructure Development	17 & 21	-	-	-	1,92,379	1,92,379
Others	17 & 21	-	-	-	1,86,443	1,86,443
Deposits	17 & 21	-	-	-	2,49,899	2,49,899
Interest Payable	17 & 21	-	-	-	4,83,765	4,83,765
					13,74,323	13,74,323

### 37 Financial Risk Management

#### A Management of Credit Risk

- i. Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.
- ii. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

#### B Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

##### a. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Barytes	2,82,898	(2,82,898)	3,14,508	(3,14,508)

###### b. Packing material price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Packing material	(1,667)	1,667	(1,255)	1,255



c- **Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense				
Excavation & Transport Charges for ROM	(10,057)	26,057	(12,732)	12,732
Excavation & Transport Charges for Overburden	(1,78,610)	1,78,610	(80,261)	80,261

38 **Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or rising damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2017**

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	24,40,187	1,93,326	24,47,061	-
	34,99,369	10,52,308	24,47,061	-

**As at 31st March 2016**

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Trade payables	89,718	83,142	4,776	-
Other financial liabilities	16,55,901	6,14,346	10,42,555	-
	17,46,619	6,97,488	10,47,331	-

**As at 1st April 2015**

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Borrowings	1,50,000	1,50,000	-	-
Trade payables	29,167	22,707	6,460	-
Other financial liabilities	11,55,156	3,29,697	8,65,459	-
	13,74,323	5,02,404	8,71,919	-

39 **Employee Benefits**

A. **Defined Contribution Plan**

Particulars	As at 31-03-2017	As at 31-03-2016
Employers contribution to provident fund	6,817	7,871
Employers contribution to pension fund	4,641	4,533

B. **Defined benefit plans :**

- i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31st March 2017 & 31st March 2016:

Particulars	Gratuity			Leave Encashment		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Change in benefit obligations						
Benefit obligations at the beginning	52,490	47,945	49,708	47,022	49,354	49,581
Service cost	1,146	1,655	1,563	3,444	3,619	316
Interest expenses	3,718	-	3,976	3,291	-	3,897
Contingent gains/losses	-	-	-	-	-	-
Transfer of obligation (net)	-	-	-	-	-	-
Benefits paid	(12,032)	(20,706)	(13,636)	(11,764)	(17,555)	(7,337)
Remeasurements - Actuarial (gains)/losses	1,489	23,197	6,242	3,462	11,605	3,907
Benefit obligations at the end	47,111	52,491	47,945	45,475	47,022	49,354



Particulars	Gratuity			Leave Encashment		
	As at	As at	As at	As at	As at	As at
	31-03-2017	31-03-2016	01-04-2015	31-03-2017	31-03-2016	01-04-2015
Change in Plan Assets						
Fair Value of Plan Assets at the beginning	34,294	43,636	46,516	28,726	41,127	41,362
Interest Income	(74)	3,572	3,991	4,994	3,151	3,642
Employer Contributions	12,707	7,067	6,769	9,001	1,785	3,460
Benefits Payments from Plan Assets	(12,032)	(20,306)	(13,036)	(11,754)	(17,555)	(7,337)
Actuarial gain / (loss) on plan assets	2,499	325	-	213	218	-
Benefit obligations at the end	37,394	34,294	43,636	31,169	28,726	41,127

ii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity			Leave Encashment	
	For the year ended			For the year ended	
	As at	31-03-2016	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Service cost		1,445	1,655	1,464	3,619
Interest expenses		3,792	(3,572)	(1,705)	(3,151)
Net expense recognised		5,238	(1,917)	1,759	458

iii. Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	Gratuity			Leave Encashment	
	For the year ended			For the year ended	
	As at	31-03-2016	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Actuarial (gain)/losses on obligations for the period		1,489	23,197	3,462	11,604
Actuarial (gain)/losses on plan assets for the period		(2,195)	(325)	(210)	(217)
Net (Income)/expenses for the period		(1,010)	22,872	3,252	11,387

Assumptions	Gratuity			Leave Encashment	
	For the year ended			For the year ended	
	As at	31-03-2016	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Rate of discounting		8.30%	8.00%	8.00%	8.00%
Rate of salary increase		4.30%	4.00%	4.00%	4.00%

iv. Summary of Demographic Assumptions

Particulars	Gratuity			Leave Encashment		
	As at	As at	As at	As at	As at	As at
	31-03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016	01-04-2015
Mortality Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Disability Rate	-	-	-	5.00%	5.00%	5.00%
Withdrawal Rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal Retirement Age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Adjusted Average Future Service	12.39	12.13	11.33	-	-	-
Leave encashment rate	-	-	-	10.00%	10.00%	10.00%
Leave availment rate	-	-	-	2.00%	2.00%	2.00%

v. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity			Leave Encashment	
	As at	As at	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Expected Cash flow in year 1	11,128	12,587	12,310	12,310	13,114
Expected Cash flow in year 2	12,958	10,519	13,068	13,068	9,925
Expected Cash flow in year 3	2,647	12,125	5,590	5,590	10,819
Expected Cash flow in year 4	1,289	2,456	4,670	4,670	4,524
Expected Cash flow in year 5	5,083	2,960	4,619	4,619	3,774
Expected Cash flow in year 6	4,431	4,643	3,592	3,592	3,088
Expected Cash flow in year 7	4,397	4,125	3,575	3,575	3,024
Expected Cash flow in year 8	2,578	4,172	1,893	1,893	2,908
Expected Cash flow in year 9	2,661	2,310	1,884	1,884	1,503
Expected Cash flow in year 10	3,123	2,658	1,858	1,858	1,504



vi. Significant estimates: Sensitivity Analysis

Discount rate, Salary escalation rate and Withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below

Effect on Gratuity valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	47,112	52,450	0.00%	0.00%
Salary Escalation - Up by 1%	48,701	54,314	3.40%	1.50%
Salary Escalation - Down by 1%	45,418	50,601	-3.60%	-3.60%
Withdrawal Rates - Up by 1%	47,593	52,662	1.00%	0.90%
Withdrawal Rates - Down by 1%	46,585	51,476	-1.10%	-1.00%
Discount Rates - Up by 1%	45,275	50,545	-1.90%	-1.70%
Discount Rates - Down by 1%	49,144	54,634	4.30%	4.10%

vii. Effect on Leave Encashment valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	45,475	47,022	0.00%	0.00%
Salary Escalation - Up by 1%	47,091	48,601	3.60%	3.50%
Salary Escalation - Down by 1%	43,842	45,145	-3.40%	-3.40%
Withdrawal Rates - Up by 1%	45,653	47,234	0.50%	0.50%
Withdrawal Rates - Down by 1%	45,256	46,709	-0.50%	-0.50%
Discount Rates - Up by 1%	44,206	45,794	-2.60%	-2.60%
Discount Rates - Down by 1%	46,751	48,338	2.80%	2.80%

viii. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

ix. Liability risks

a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

40. Earnings per share

Particulars	As at 31-03-2017	As at 31-03-2016
Profit after tax	31,67,841	29,85,254
Profit available for Equity Shareholders	31,67,841	29,85,254
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of Equity share	1.000	1.000
Basic Earnings Per Share (In Rupees)	50,234	47,338
Equity shares used to compute diluted earnings per share	63,062	63,062
Diluted Earnings Per Share (In Rupees)	50,234	47,338

41. Related Party Transactions

A. List of related parties

(% of holding)

Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Orngate Iron Ore Mining Company Pvt Ltd	51.00%	51.00%	51.00%
Andhra Phosphate Private Limited	50.00%	50.00%	50.00%
APMDC SCL Sulyari Coal company to Nuegon Coal company limited	51.00%	51.00%	51.00%
	50.00%	50.00%	50.00%

Joint Venture Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Iron Ore Company Ltd	11.00%	11.00%	11.00%
Grmpex AP Barytes Beneficiation Private Limited	11.00%	11.00%	11.00%
Trinex Baryte Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Granite (MIDWEST) Private Limited	11.00%	11.00%	11.00%
Pakavedu Granite Private Limited	11.00%	11.00%	11.00%
V.V Minerals Private Limited	12.36%	12.36%	12.36%
Alliance Andhra Pradesh Black Granite Pvt Ltd	11.00%	11.00%	11.00%
Aswar: Mineral Development Private Ltd	26.00%	26.00%	26.00%
Annam Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Isra Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Mangasree Granites (P) Ltd	26.00%	26.00%	26.00%
Orngate Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
RLP Granites (P) Ltd	26.00%	26.00%	26.00%
SRAP Minerals Private Limited	26.00%	26.00%	26.00%
A.P.Coastal Sand & Metals Pvt Ltd	26.00%	26.00%	26.00%
Andhra Pradesh Tribal Mining (P) Ltd	26.00%	26.00%	26.00%





**Key Management Personnel:**

Name of the related party	Relation
Shri. Venkatesh Choudhary, J.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP State Libermet Ltd	Fellow Government company

**B. The Following Subsidiary/JV/Associate companies are not consolidated for the following reasons:**

Particulars	Reason
<b>Subsidiary Companies</b>	
Oragole Iron Ore Mining Company Pvt Ltd	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer funds to the investor.
Andhra Phosphate Private Limited	The company lease rights were expired and not renewed, hence it is not carrying on any activity.
APHDC- SCCL Sullivan Coal company Ltd	The said company shall not be taken into CFS as the license has been cancelled by the Hon'ble supreme court, Hence business is not commenced.
Nuagon Coal Company Ltd	The said company shall not be taken into CFS as the license has been cancelled by the Hon'ble supreme court, Hence business is not commenced.
<b>Joint Venture Companies</b>	
Andhra Baryte Corporation Private Ltd	The company has not commenced the operations and non operative.
Andhra Pradesh Iron Ore Company Ltd	The company has not commenced the operations and non operative.
Glimpse AP Barytes Beneficiation Pvt Ltd	The company has not commenced the operations and non operative.
Trimex Barite Private Limited	The company has not commenced the operations and non operative.
V.V Minerals Private Limited	The Joint venture agreement expired in FY 2013-14 and later on the State Government has rejected the renewal/fresh JV agreement in Oct, 2016. As there is no joint venture agreement exist on the date of preparation of CFS hence, it has not been considered for the CFS.
Alliance Andhra Pradesh Black Granites Pvt Ltd	The Joint venture agreement is cancelled by the GOAP, hence company became non-operative.
Aswani Mineral Development Private Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Annam Minerals Exports (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Isra Minerals Exports (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Mangasree Granites (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Oragole Minerals Exports (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
RLP Granites (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
SRAP Minerals Private Limited	The company has not commenced the operations and non operative.
A.P. Coastal Sand & Metals Pvt Ltd	The lease rights and MOU cancelled by the GOAP, hence became non-operative.
Andhra Pradesh Tribal Mining (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.

**C. Related Party Transactions****Amounts of Revenue from the related parties**

Name of the party	Consideration	Other Income (Dividend)
M/s.A.P.Granites (Midwest) P Ltd	1,64,819	4,403
M/s.Pallava Red Granites	31,042	-

**D. (a) Amount Due (to)/from related parties:**

Party Name	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s.SRAP Minerals	4,503	4,496	4,495
M/s.A.P.Granites (Midwest) P Ltd	1,30,914	93,488	70,031
M/s.Alliance A.P.Black Galaxy Granites (P) Ltd	1,721	1,721	1,713
M/s. Pallava Red Granites	86,946	36,507	27,758

**E. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s.SRAP Minerals	4,503	4,496	110
M/s. A.P. Granites (Midwest) Pvt Ltd	12,056	-	-



F. Balance during the year with related parties

Investment in Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
ONGOLE Iron Ore Mining Company Pvt Ltd *	561	561	561
Andhra Phosphate Private Limited *	1,110	1,110	1,110
APMDC- SCLL Sullavan Coal company Ltd *	51	51	51
Vaagan coal company limited *	5,957	5,957	300
<b>Total</b>	<b>7,679</b>	<b>7,679</b>	<b>2,022</b>
* Investment Derated/provision	1,671	-	-
# Investment Derated/provision	6,008	6,006	-

Investment in Joint Venture Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited *	8,525	8,525	8,525
Andhra Pradesh Iron Ore Company Ltd *	69	69	69
Glimper AP Barytes Beneficiation Pvt Ltd *	13	13	13
Trimex Baryte Private Limited *	4,500	4,500	4,500
Andhra Pradesh Granite (MIDWEST) Pvt Ltd	11,000	11,000	11,000
Pallavared Granite Private Limited	11,000	11,000	11,000
V V Minerals Private Limited %	110	110	110
Alliance Andhra Pradesh Black Granites Pvt Ltd *	11,000	11,000	11,000
Aswani Mineral Development Private Ltd *	650	650	650
Arham Minerals Exports (P) Ltd *	1,300	1,300	1,300
Isra Minerals Exports (P) Ltd *	1,300	1,300	1,300
Maryasree Granites (P) Ltd *	1,300	1,300	1,300
ONGOLE Minerals Exports (P) Ltd *	3,250	3,250	3,250
RLP Granites (P) Ltd *	3,250	3,250	3,250
SRAP Minerals Private Limited *	3,250	3,250	3,250
A.P.Coastal Sand & Metals Pvt Ltd *	130	130	130
Andhra Pradesh Tribal Mining (P) Ltd %	286	286	286
<b>Total</b>	<b>60,933</b>	<b>60,933</b>	<b>60,933</b>
* Investment Derated/provision	33,737	-	-
% Investment Derated/provision	396	396	-
# Investment Derated/provision	25,300	25,300	25,300

G. Key Managerial Personnel:

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Sh.Ch.Venkatesh Choudary, J.R.S	998	1,093	816

H. Interest free loan to related parties

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
AP State Fibre Pvt Ltd	1,00,000	-	-

42 Deferred tax asset/(Liability)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Tax effect on items constituting deferred tax assets</b>			
Provision for employee benefits	4725	1,840	5,708
Provision for decommissioning asset	16191	55,062	13,327
Property, plant and equipment	6382	-	-
Provision for stripping adjustment	-	7,56,115	3,65,140
Other provisions	17,207	37,314	6,029
<b>Total deferred tax asset</b>	<b>74,505</b>	<b>8,05,621</b>	<b>3,90,204</b>
<b>Tax effect on items constituting deferred tax liabilities</b>			
Property, plant and equipment	-	5,414	10,111
Investments	5,076	5,376	5,376
<b>Total deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,187</b>
<b>Deferred tax asset/(Liability) - Net</b>	<b>69,429</b>	<b>7,95,131</b>	<b>3,75,017</b>



#### 43.CSR Expenditure

A. Gross amount required to be spent by the company during the year is Rs.70,685.54 thousands.

B. Amount spent during the year

(Rupees in 000's)

Sl No	Particulars	Year ended 31-03-2017	Year ended 31-03-2016
i.	Construction / Acquisition of any assets	-	-
ii.	Purpose other than above	19,160	11,113

#### 44. Treatment demerger plan in the Books of accounts

- A. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana.
- B. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.
- C. In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- D. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- E. The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC & TSMDC and the formula for bifurcation was approved.
- F. The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for this purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.
- G. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC -58.32%
  - TSMDC -41.68%





H. APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

I. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:**

		(Rupees in 000's)	
Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
a) Share capital	63,062	36,778	26,284
b) Reserve & Surplus	1,04,28,142	6,081,692	43,46,449
c) Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
a) Deferred tax liability	2,358	1,375	983
b) Trade payables	23,38,003	13,63,524	9,74,480
c) Other current liabilities	6,66,827	3,88,894	2,77,934
d) Provisions	1,37,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
a). Fixed Assets (WDV)	34,405	20,065	14,340
b). Non-Current investment	49,944	29,128	20,817
c). Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
a). Inventories	1,393	813	581
b). Trade receivables	16,563	9,659	6,903
c). Cash & Bank Balances	439	256	183
d). Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
e). Other Fixed Deposits	81,62,135	47,60,157	34,01,978
f). Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### 45. General

- A. Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period is material.
- B. Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations.
- C. Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.
- D. All amounts have been reported in thousands except for the share data and earning per share (EPS).

#### 46. Explanation of Transition to IND AS

These are the Group's first Consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1.1 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April 2015 (the Group's date of transition).

The Group has prepared the opening balance sheet as per Ind AS as on 1st April, 2015 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from the previously applicable Indian GAAP to Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Group are as detailed below:

##### Exemptions availed on first time adoption of Ind-AS 101

##### a. Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Group has elected to continue with the carrying value of all its property, plant and equipment and intangible assets as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### b. Decommissioning Liabilities

A first-time adopter need not to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:

- Measure the liability at the transition date in accordance with Ind AS 37;
- Using the historical risk adjusted discount rate, determine the amount which would have been capitalised when the liability first arose; and
- Compute the amount of depreciation based on the estimated useful life.



Accordingly, the Group has elected to apply the exemption for the obligations arising on account of decommissioning cost.

**c. Leases**

For transition to Ind AS, the Group has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

**d. Investment in subsidiaries, joint arrangements and associates**

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in Subsidiaries, Joint arrangements and Associates either:

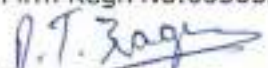
- at cost; or
- in accordance with Ind AS 109.

Hence by availing the exemption the Investments in Subsidiaries, Joint arrangements and associates are measured at cost.

**e. Classification and measurement of financial assets**

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement and hence, classification and measurement needs to be done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No.0030325

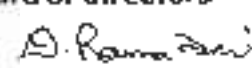
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878


**Place: Vijayawada**  
**Date: 14<sup>th</sup> July, 2022**



**for and on behalf of the board of directors**

  
**V.G. Venkata Reddy**  
VC&MD  
DIN:08805525

  
**D. Ramadevi**  
Director  
DIN:08076094

  
**A. Nageswara Reddy**  
General Manager-F&A



UDIN: 22227878AMYRJ17786

**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of consolidated equity as previously reported under IGAAP to Ind AS**

(Rs. in '000's)

Particulars	As on 31-03-2016			As on 01-04-2015		
	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2,33,256	112,030	2,21,226	1,29,317	(914)	1,28,403
Capital work in progress	-	-	-	61,459	-	61,459
Other intangible assets	249	(528)	421	307	(74)	83
<b>Financial assets</b>						
Investments	44,336	116,514	22,5	44,557	14,547	40,410
Loans	20,559	-	20,559	19,832	-	19,832
Others (to be specified)	63,91,476	3,14,141	64,05,618	8,23,120	3,14,141	11,37,262
Deferred tax assets (Net)	76,531	1,18,513	7,95,134	14,774	3,00,242	3,75,016
Other non-current assets	26,54,625	21,752	36,86,378	19,36,319	(63,147)	19,21,172
Non-current Tax assets (Net)	7,26,053	-	7,26,053	-	-	-
<b>Current assets</b>						
Inventories	6,11,510	-	6,11,510	5,55,414	-	5,55,414
<b>Financial assets</b>						
Trade receivables	1,39,610	-	1,39,610	1,23,606	-	1,23,606
Cash and cash equivalents	1,52,923	-	1,52,923	1,09,043	-	1,09,043
Other bank balances	11,57,690	-	11,57,690	50,89,369	-	50,89,369
Loans	1,056	-	1,056	-	-	-
Others (to be specified)	2,34,118	4,400	2,38,519	1,10,827	1,320	1,12,147
Current Tax Assets (Net)	-	-	-	3,58,198	-	3,58,198
Other current assets	15,65,781	290	15,66,071	78,439	592	79,032
<b>TOTAL ASSETS</b>	<b>1,37,20,071</b>	<b>10,30,222</b>	<b>1,47,50,294</b>	<b>1,07,75,286</b>	<b>6,07,614</b>	<b>1,13,82,900</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	63,062	-	63,062	63,062	-	63,062
Other equity	91,72,070	12,49,708	1,04,16,781	69,34,504	5,02,366	74,36,869
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	4,776	-	4,776	5,460	-	5,460
Other financial liabilities	10,42,555	-	10,42,555	6,61,928	1,97,531	3,65,458
Provisions	22,65,051	(36,607)	72,79,113	11,65,001	(59,507)	11,08,096
Other non-current liabilities	64,528	-	64,528	4,35,810	-	4,35,810
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	-	-	-	1,50,000	-	1,50,000
Trade payables	83,142	-	83,142	22,707	-	22,707
Other financial liabilities	5,95,179	19,167	6,14,346	3,27,330	2,307	3,29,637
Other current liabilities	1,95,425	-	1,95,425	9,64,741	-	9,64,741
Provisions	2,33,338	(1,95,945)	36,493	34,663	(34,663)	-
<b>Total liabilities</b>	<b>44,84,934</b>	<b>(2,14,485)</b>	<b>43,70,448</b>	<b>37,77,722</b>	<b>1,05,248</b>	<b>38,82,969</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,37,20,071</b>	<b>10,30,222</b>	<b>1,47,50,294</b>	<b>1,07,75,286</b>	<b>6,07,614</b>	<b>1,13,82,900</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of consolidated profit and loss for the year ended 31-03-2016**

(Rs. in '000's)

Particulars	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>Income</b>			
Revenue from operations	62,90,163	-	62,90,163
Other income	7,20,105	(1,320)	7,26,785
<b>Total</b>	<b>70,18,269</b>	<b>(1,320)</b>	<b>70,16,949</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	25,098	-	25,098
[Increase]/Decrease in inventories	53,313	-	53,313
Employee benefits expense	2,92,206	(84,949)	2,07,257
Finance costs	5,696	3,036	8,732
Depreciation and amortization expense	26,496	11,031	37,527
Power and fuel	75,885	-	75,885
Excavation & transport charges	18,59,864	-	18,59,864
Other expenses	6,85,995	(86,276)	5,99,719
<b>Total Expenses</b>	<b>30,24,553</b>	<b>(1,57,157)</b>	<b>28,67,396</b>
<b>Profit/(Loss) before Exceptional items and tax</b>	<b>39,93,716</b>	<b>1,55,837</b>	<b>41,49,553</b>
Add : Exceptional Items (Net)	(2,57,246)	2,57,246	-
<b>Profit/(Loss) before tax</b>	<b>37,36,470</b>	<b>4,13,083</b>	<b>41,49,553</b>
<b>Share of profit from associates/JV</b>	<b>-</b>	<b>-</b>	<b>(8,503)</b>
<b>Less : Tax expenses</b>			
Earlier years	20,215	-	20,215
Current tax	15,47,408	-	15,47,408
Deferred tax	(61,847)	(3,49,980)	(4,11,827)
<b>Total tax expense</b>	<b>15,05,775</b>	<b>(3,49,980)</b>	<b>11,55,796</b>
<b>Profit/(Loss) for the year from continuing operations</b>	<b>22,30,695</b>	<b>7,63,062</b>	<b>29,85,254</b>
Profit/(Loss) from discontinuing operations	-	-	-
Less : Tax expense of discontinuing operations	-	-	-
<b>Profit/(Loss) from discontinuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>	<b>22,30,695</b>	<b>7,63,062</b>	<b>29,85,254</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit and loss account	-	(39,916)	(39,916)
Income tax relating to above items	-	8,291	8,291
Items that will not be reclassified to Profit and loss account	-	-	-
Income tax relating to above items	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>(31,625)</b>	<b>(31,625)</b>
<b>(Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>22,30,695</b>	<b>7,31,438</b>	<b>29,53,630</b>
<b>Earnings per equity share</b>			
[Nominal value of share Re.1000 /-]	<b>35,373</b>	-	<b>47,338</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			



STATEMENT OF FINANCIAL RESULTS FROM 2007-08 TO 2016-17						Rupees in Lakhs				
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
I) Sources of Funds										
a). Share Capital	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
b). Loan From Bank	103.11	3,389.78	0	0	0	0	0	0		
c). Loan From Government	0	0	0	0	0	0	0	0		
TOTAL	733.73	4,020.40	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
II) Sales	9,318.09	15,647.03	21,699.84	23,416.59	38,241.10	65,639.90	51,431.01	19,994.11	67950.38	54605.32
III) INVENTORIES										
a. Stock (Finished Goods and Work-in-Progress)	435.13	905.43	1,571.31	1,783.65	427.31	516.13	3,056.68	7,152.43	6034.94	14456.38
b. Stores & Spares	88.85	84.02	70.12	74.48	198.81	142.04	118.04	86.07	80.24	72.13
IV) Debtors	927.48	2,249.25	2,278.36	869.49	900.87	1,145.45	1,751.93	1,238.06	1396.1	3261.67
V) Fixed Assets										
Gross Block	1,484.14	1,605.03	1,628.01	1,933.41	2,429.79	2,559.47	2,823.44	2,702.91	2,582.19	4,754.14
Less: Depreciation	-649.08	-739.95	-791.83	-898.67	-1,045.05	-1,070.86	-1,271.62	-1,432.97	-369.94	-811.66
Net Block	835.06	865.08	836.18	1,034.74	1,384.74	1,488.61	1,551.82	1,269.93	2,212.25	3,942.48
Capital Work-in-Progress	0.14	3.59	8.39	3.87	0.61	0.03	115.74	614.59	0	29627.99
TOTAL	835.2	868.67	844.57	1,038.61	1,385.35	1,488.64	1,667.56	1,884.52	2,212.25	33,570.47
VI) Loans & Advances	3,944.35	7,778.87	5,293.48	5,465.24	7,740.11	33,467.31	28,271.79	26,009.10	50001.14	49783.07
VII) Other Current Assets (including Cash and Bank Balances	11,817.26	15,062.82	17,377.68	27,862.53	50,064.90	62,113.52	107,851.19	63,172.85	15,444.98	7,962.88
VIII) Current Liabilities and Provisions	6,701.40	7,974.04	6,660.86	10,203.75	18,552.90	24,367.60	40,469.44	37,777.21	42,704.49	36,902.92
IX) Profit (+) Loss (-) for the year	5,552.70	6,669.78	8,383.59	9,705.23	23,053.43	48,124.81	43,502.50	17,147.83	29,950.77	31,755.42
X) Profit Percentage %	59.59	42.63	38.63	41.45	60.28	73.32	84.58	85.76	44.07	58.15
XI) Dividend paid	100.9	100.9	100.9	157.65	157.65	157.65	157.66	157.66	157.66	-
XII) Dividend %	16	16	16	25	25	25	25	25	25	-



The Andhra Pradesh Mineral Development  
Corporation Limited

### **MINES**

#### **BARYTES MINES**

Mangampet Barytes Mining & Pulverising Unit  
Mangampet, YSR Kadapa District.

#### **CLAY MINES**

Sri Venkateswara Clay Mines,  
Dwarakatirumala,  
West Godavari District.

#### **BLACK GRANITE MINES**

Warangal District  
Choutapally  
Nalgonda District  
Venkataramapuram.

#### **LIMESTONE MINES**

Piduguralla  
Guntur District  
Devapur  
Adilabad District

#### **SEMI-PRECIOUS STONES PROJECT**

Visakhapatnam.





The Andhra Pradesh Mineral Development  
Corporation Limited

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## **BOARD OF DIRECTORS**

### **CHAIRMAN:**

- 1) Sri M. Girija Shankar, IAS., (from 14-10-2015 to 11-09-2016)
- 2) Sri B. Sreedhar, IAS., (from 12-09-2016 to 08-02-2019)
- 3) Sri I. Srinivas Srinaresh, IAS., (from 08-02-2019 to 14-05-2019)
- 4) Sri Anil Chandra Punetha, IAS., (from 15-05-2019 to 31-05-2019)
- 5) Sri K. Ramgopal, IAS., (from 19-08-2019 to 01-05-2020)
- 6) Sri Gopal Krishna Dwivedi, IAS., (from 01-05-2020 to 25-07-2021)
- 7) Smt G. Shameem Aslam (from 26-07-2021 to 03-07-2024)

### **VICE-CHAIRMAN & MANAGING DIRECTOR:**

- 1) Sri Ch. Venkaiah Chowdary, IRS., (from 24-08-2015 to 26.06.2019)
- 2) Sri Y. Bhanu Prakash, IAS., (from 27-06-2019 to 13-09-2019)
- 3) Sri M. Madhusudhan Reddy, IRAS., (from 16-09-2019 to 20-05-2020)
- 4) Sri V.G. Venkata Reddy (from 20-05-2020 to 01-06-2020)
- 5) Sri Hari Narayanan. M, IAS., (from 02-06-2020 to 01-02-2021)
- 6) Sri V.G.Venkata Reddy (from 04-02-2021 to 07-06-2024)
- 7) Dr N Yuvraj, IAS., (from 07-06-2024 to 24-06-2024)
- 8) Sri Pravin Kumar, IAS., (from 24-06-2024 to Till the Date)

### **DIRECTORS:**

- 1) Sri J C Sharma (from 21-10-2014 to 30-04-2017)
- 2) Smt Hema Munivenkatappa (from 14-10-2015 to 08-09-2017)
- 3) Sri V. Radha Krishna (from 14-10-2015 to 31-07-2017)
- 4) Sri Karikal Valaven (from 30-04-2017 to 16-07-2017)
- 5) Sri Durga Prasad Sahu (from 02-08-2017 to 30-08-2017)

6) Dr. Manmohan Singh	(from 16-07-2017 to 31-10-2019)
7) Dr. K V V Satyanarayana	(from 08-09-2017 Till the Date)
8) Smt D. Rama Devi	(from 30-08-2017 to 28-08-2020)
9) Sri I. Srinivas Srinaresh	(from 08-02-2019 to 20-07-2019)
10) Sri K. Ramgopal	(from 20-07-2019 to 03-03-2020)
11) Smt V. Usharani	(from 31-10-2019 to 22-12-2021)
17) Sri V.G. Venkata Reddy	(from 03-03-2020 to 07-06-2024)
18) Sri I. Mohan Rao	(from 29-08-2020 to 03-03-2022)
19) Smt Mala Jayasudha	(from 20-09-2021 to 13-08-2024)
20) Sri C. Harish Reddy	(from 20-09-2021 to 13-08-2024)
21) Smt Marty Lakshmi	(from 20-09-2021 to 13-08-2024)
22) Smt G. Sujatha	(from 20-09-2021 to 13-08-2024)
23) Sri M.Balamuni Reddy	(from 20-09-2021 to 13-08-2024)
24) Smt ES.Salma	(from 20-09-2021 to 13-08-2024)
25) Sri Lingareddy Veera Prathap Reddy	(from 20-09-2021 to 13-08-2024)
26) Sri Bandireddy Bapireddy	(from 20-09-2021 to 13-08-2024)
27) Sri Bathula Rama Rao	(from 20-09-2021 to 13-08-2024)
28) Smt Chilluru Manjusha	(from 20-09-2021 to 13-08-2024)
29) Sri K V Ramana Reddy	(from 20-09-2021 to 13-08-2024)
30) Smt D. Rama Devi	(from 03-03-2022 to 21-09-2024)
31) Sri Bipin Kumar	(from 09-12-2022 to Till the Date)
32) Sri Raman Narayanan	(from 01-02-2023 to Till the Date)
31) Sri D Mallikarjuna Reddy	(from 06-04-2023 to 13-08-2024)
32) Dr N Yuvraj, IAS.,	(from 07-06-2024 to 24-06-2024)
33) Sri Pravin Kumar	(from 24-06-2024 to Till the Date)

**COMPANY SECRETARY / GENERAL MANAGER (COMPANY LAW AFFAIRS):**

- 1) Smt M. Prameela Rani  
B.Com., LLB., ICSI  
General Manager (CLA) (from 24-04-2016 to 30-11-2019)
- 2) Sri R.Manikiran (from 01-09-2020 to Till the Date)  
Company Secretary on Retainership

**EXECUTIVE DIRECTOR:**

- 1) Sri H.D. Nagaraja  
Executive Director (from 31-07-2010 to 30-09-2020)
- 2) Sri R.Kedarnath Reddy (from 07-10-2021 to Till the Date)  
Executive Director

**GENERAL MANAGER (F&A):**

- 1) Sri B. Srinivasa Murthy,  
B.Com., F.C.A., (from 10-03-2008 to 30-04-2021)
- 2) Sri A. Nageswara Reddy (from 30-12-2021 to Till the Date)

**STATUTORY AUDITORS:**

M/s. Srirama Murthy & Co.,  
Chartered Accountants,  
Hyderabad.

**BANKERS:**

- 1) Union Bank of India
- 2) State Bank of India
- 3) ICICI Bank

**REGISTERED & CORPORATE OFFICE:**

- 1) D.No.6-1-67/19/1 & 67/20, Flat No.302,  
Super Classic Apartment, Saifabad,  
Lakdikapool, Hyderabad,  
Telangana – 500004, India.
- 2) Door No.294/1D,  
100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137,  
Andhra Pradesh.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LTD**  
**(A State Government of A.P. Undertaking)**  
Reg. Office: D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic  
Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Corp off: No.294/1D, 100 Feet Kanur to Enikepadu Road, Vijayawada – 521 137,  
A.P  
Tel: 0866 2429999, Fax: +91 40-23393152

**SHORTER NOTICE**

**To**  
**THE SHARE HOLDERS**

Shorter Notice is hereby given that Adjourned 57<sup>th</sup> Annual General Meeting of the A.P. Mineral Development Corporation Limited will be held on **20<sup>th</sup> September, 2024 at 12.00 Noon** at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh - 521137 to transact the following business:-

**ORDINARY BUSINESS:**

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

By order of the Board of Directors

Managing Director

Date: 20.09.2024

Place: Vijayawada

**Note:**

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and that the proxy need not be a member of the Company.
- 2) Consent of the Shareholders to convene the Adjourned 57<sup>th</sup> Annual General Meeting of the Company with a shorter notice required under the provisions of the Sec.101(1) of the Companies Act, 2013 is being obtained.

**FORM No. MGT – 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U13209TG1961SGC000871  
Name of the Company : The Andhra Pradesh Mineral Development Corporation Limited.  
Registered Office : D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.

Name of the Member:

Registered Address:

E-Mail Id:

Folio No / Client Id:

DP ID:

I /We, being the member (s) of \_\_\_\_\_shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

2. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

3. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Adjourned 57<sup>th</sup> Annual General Meeting of the Company, to held on 20<sup>th</sup> September, 2024 at the Corporate Office of the Company.

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.



**THE COMPANIES ACT, 2013**  
**CONSENT of Shareholders for Shorter Notice**  
**{Pursuant to Section. 101(1)}**

To,  
The Board of Directors,  
A.P. Mineral Development Corporation Limited.

We, the following members holding equity shares as mentioned below hereby give consent, pursuant to Sec. 101 (1) of the Companies Act, 2013, to hold the Adjourned 57<sup>th</sup> Annual General Body Meeting on 20<sup>th</sup> September, 2024 at 12.00 Noon with shorter notice at its Corporate Office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh-521137.

1. Sri Pravin Kumar, IAS.,  
Director of Mines & Geology  
Chairman & Shareholder  
(Holding one equity share of Rs.1000/-)

\_\_\_\_\_
2. Sri Pravin Kumar, IAS.,  
Managing Director (FAC)  
& Shareholder  
(Holding one equity share of Rs.1000/-)

\_\_\_\_\_
3. Governor of Andhra Pradesh  
Represented by Sri P. Venkateswara Rao  
Asst. Secretary to Govt.,  
Industries & Commerce Dept.,  
(Holding 63,059 equity share of Rs.1,000/-)

\_\_\_\_\_
4. Sri V. Shaker Babu  
Section Officer,  
Industries & Commerce Department  
(Holding one equity share of Rs. 1,000/-)

\_\_\_\_\_



## **The Andhra Pradesh Mineral Development Corporation Limited**

INCORPORATED IN INDIA  
ANDRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

Andhra Pradesh, India. Office: Hyderabad, India. Tel: 0800 21 0001

E-Mail: info@apmdc.org.in Website: www.apmdc.org.in

### **DIRECTOR'S REPORT**

**To,**  
**The Members,**  
**The Andhra Pradesh Mineral Development Corporation Limited.**

Your Director have pleasure in presenting their 67<sup>th</sup> Annual Report on the business and operation of the company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2018.

#### **FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial results for the year ended 31<sup>st</sup> March, 2018 and the corresponding figures for the last year are as under:-

	<b>(Rs.In '000's)</b>	
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Profit Before interest, Depreciation & Tax	28,86,829	52,59,558
Less: Finance Cost	29,173	76,447
Less: Depreciation & Amortization Expense	46,864	44,432
Profit before Tax	28,10,791	51,38,679
Provision for Tax		
Income Tax (IV)	10,90,085	12,42,941
Deferred Tax	(12,890)	7,24,236
Profit after Tax	17,33,696	31,71,501
Less: Proposed Dividend & Tax thereon		
Balance carried to Balance Sheet	17,33,696	31,71,501

#### **RESERVE & SURPLUS:**

Out of the total profit of Rs. 17,33,696/- ('000's) for the financial year Rs. 173,370/- ('000's) amount is proposed to be transferred to the General Reserve.

#### **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company done during the year.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

**DIVIDEND:**

To strengthen the financial position of the Company and to augment working capital your directors regret to declare any dividend. **NIL**

**MEETINGS:**

During the Financial Year 2017-18, Six (6) Board Meetings were held on 28-04-2017, 06-06-2017, 31-07-2017, 12-10-2017, 31-01-2018 and 07-03-2018. The maximum time gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As required pursuant to section 135(1) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Corporate Social Responsibilities (CSR) Activities as **(ANNEXURE – IV)**.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:****JOINT VENTURE COMPANY:****(a) M/S. ANDHRA PRADESH GRANITE (MIDWEST) PRIVATE LIMITED**

During the year 2017-18, the company has achieved a turnover of Rs.63.29 Lakhs against the previous year turnover of Rs.91.74lakhs. The Company registered a Gross loss of Rs.2.97 Lakhs against the previous year's Gross profit of Rs.2.14 Lakhs before taxes and the net loss is Rs.2.00 Lakhs for the year as against the previous year net profit of Rs.1.15 Lakhs.

**(b) M/s. PALLAVARED GRANITE PRIVATE LIMITED**

During the year 2017-18, the company has achieved a turnover of Rs 9.93 Lakhs against the previous year turnover of Rs.11.13 lakhs. The Company registered a Gross loss of Rs.4.93 Lakhs against the previous year's Gross loss of Rs 4.30 Lakhs before taxes and the net loss is Rs.5.80 Lakhs for the year as against the previous year net profit of Rs.4.15 Lakhs.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**CHANGES IN SHARES CAPITAL:**

The Company has not issued any Equity Shares during the year under review.

**STATUTORY AUDITORS:**

**M/s. Sriramamurthy & Co., (003032-S)** Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held were appointed for a period of 4 years until the conclusion of 56<sup>th</sup> Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuing annual general meeting to the conclusion of next annual general meeting.

**AUDITOR'S REPORT:**

The Auditor's Report does not contain any qualification. Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any future comments.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 4 as a part of this Annual Report as **(ANNEXURE – III)**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

**Details of Loans:**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Companies Act, 2013, is (AS PER SITUATION)

**DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. [ANNEXURE - II]

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2017-18.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**Conservation of energy**

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

**Technology absorption**

(i)	the effort made towards technology absorption	Nil
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	Nil
(iii)	in case of imported technology [important during the last three years reckoned from the beginning of the financial year]	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the total foreign exchange used was Rs.Nil and the total foreign exchange earned was Rs. Nil.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:



The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period:

The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors had prepared the annual accounts on a going concern basis and

The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

**For and on behalf of the Board of Directors**

**The Andhra Pradesh Mineral  
Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
[Sri Pravin Kumar, IAS]  
(DIN: 07106418)  
Managing Director

**Place: Vijayawada**

**Date :20.09.2024**

**ANNEXURE - I**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

<b>Name of the Subsidiary Company</b>	<b>M/s. Ongole Iron Ore Company Pvt. Ltd.</b>
1. The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2018
2. a) paid up Capital of the Subsidiary Company	Rs 11,00,000/-
b) No. Of shares held by APMDCL with its nominees in the subsidiary	56,100 Shares of Rs. 10/- each fully paid up
c) Extent of interest of holding Company at the end of Financial year	51%
3. The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
a) Not dealt with in the holding Company's accounts	
i) For the Financial year of the subsidiary Company	Nil
ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
b) Dealt with in the holding company's accounts	
i) For the Financial year of subsidiary Company	Nil
ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary	Nil

**For The Andhra Pradesh Mineral Development Corporation Limited**



**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**



**(Sri Pravin Kumar, IAS)**  
**(DIN:07106418)**  
**Managing Director**

**Annexure - II**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SG000871)

**FORM NO. AOC -2**

***(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/ transaction	N.A
c)	Duration of the contracts/ arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A

***1. Details of contracts or arrangements or transactions at Arm's length basis.***

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts / arrangements / transaction.	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board	N.A
f)	Amount paid as advances, if any	N.A

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(Sri Pravin Kumar, IAS)  
(DIN:07106418)  
Managing Director

**Annexure-III**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SGC000871)

**Form MGT-9**

**Extract of Annual Return as at the financial year ended on  
31.03.2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U13209TG1961SGC000871
2. Registration Date	24.02.1961
3. Name of the Company	ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED
4. Category/Sub-category of the Company	Government Private Company Limited by Shares
5. Address of the Registered office & contact details	D.No.6-1 67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saitabad, Laxdikapool Hyderabad Hyderabad TG 500004 IN
6. Whether listed company (Yes / No)	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more to the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Mining	0899	100%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	M/s. Ongole Iron Ore Company Pvt. Ltd.	U1310GTG2009SGC063631	Subsidiary	51%	

### IV. SHARE HOLDING PATTERN [Equity Share Capital Breakup as percentage of Total Equity]

(i). Category-wise Share Holding Total Number of Shares 100%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	-	3	3		-	3	3		0
b) Central Govt.									
c) State Govt./sl	-	63,059	6,30,59,000	99.99	-	63,059	6,30,59,000	99.99	0
d) Bodies Corp.									
e) Banks / FI	-								

f) Any other...	-				-				
<b>Sub-total (A)</b> <b>(1)</b>	-	63,062	6,30,62.00 0	100	-	63.06 2	6,30,62.00 0	100	0
<b>(2) Foreign</b>									
(a) NRIs Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/ FI									
(e) Any other.....									
<b>Sub-Total</b> <b>(A) (2) :-</b>									
<b>Total</b> <b>Shareholdin</b> <b>g of</b> <b>Promoter (A)</b> <b>=(A) (1) + (A)</b> <b>(2)</b>	-	63,062	6,30,62.00 0	100	-	63.06 2	6,30,62.00 0	100	0
<b>B. Public</b> <b>Shareholdin</b> <b>g</b>									
<b>1.Institution</b> <b>s</b>									
(a) Mutual Funds	-								
(b) Banks / FI	-								
(c) Central Govt									

d) State Govt.(s)									
e) Venture Capital Funds	-								
f) Insurance Companies									
g) FIs	-								
h) Foreign Venture Capital Funds	-								
i) Others (specify)	-								

**Sub-total**

**(B)(1):-**

**2. Non-Institutions**

a) Bodies Corp									
i) Indian	-								
ii) Overseas									
b) Individuals	-								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-								
ii) Individual shareholders holding nominal share capital	-								



in excess of Rs 1 lakh									
c) Others (specify)	-								
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	63.062	6,30,62,000	100	-	63.062	6,30,62,000	100	0

**(ii) Share holding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sr B. Sreedhar, IAS Director of Mines & Geology	1			1			Nil
2	Sri Ch. Venkaiah Chowdary	1			1			Nil

3	Vice Chairman & Managing Director Sri A. Janardhana Babu Governor of Andhra Pradesh Represented by Asst. Secretary to Govt., Industries & Commerce Dept.	63,059	99.999	63,059	99.999	Nil
3	Sri. T. G. Ganapathi Section Officer, Industries & Commerce Department	1		1		Nil

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

There is no change in the promoter's shareholding during the period under review

Sl No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	At the beginning of the year		
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	
	At the end of the year		

**(iv) Shareholding Pattern of top ten Shareholders: [Other than Directors, Promoters and Holders of GDRs and ADRs]:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Governor of Andhra Pradesh	63,054	99.994		
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			63,059	99.999
2					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
3					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				

specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.);			
<b>At the end of the year (or on the date of separation, if separated during the year)</b>			

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not paid for the year: Nil

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				

paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>					

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of prerequisites u/s 17 (2) of Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	Sh. Ch. Anandh Chairman & Managing Director	Rs. 18,00,000/-
2	Stock Option		
3	Swamp Rights		
4	Commission as % of profits others specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

### B. Remuneration to other Directors: NIL

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount
--------	-----------------------------	-------------------	--------------

1	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, Please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD - NIL**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				

4	Commission - as % of profit Others specify	
5	Others, please specify Total	

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:- NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(Sri Pravin Kumar, IAS)  
(DIN:07106418)  
Managing Director

Place: Vijayawada  
Date: 20.09.2024



**ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**(CIN:U13209TG1961SGC090871)**

**TO THE DIRECTORS' REPORT  
ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITIES (CSR) ACTIVITIES**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

APMDC [the Company] has developed its CSR policy, henceforth called "APMDC CSR Policy", in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India.

The objectives of the APMDC CSR Policy are to:

1. To define CSR Projects or Programmes which APMDC plans to undertake and which fall within the preview of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area.
3. Outline Governance mechanism for the CSR activities taken up by APMDC.
4. Mode of implementation of such CSR Projects and Programmes.
5. Monitoring and reporting mechanism of such CSR Projects and Programmes.

APMDC CSR policy is aimed at working along with the community through its focus on:

Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swachh Bharat Kosh set up by the central government for the promotion of sanitation and making available safe drinking water;

- i. Promoting preventive health care
  - a. Provision for operation and treatment for differently disable persons
  - b. Enabling access to, or improving the delivery of public health systems.

- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Enduring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund setup by the central government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veteran, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government;
- x. Rural development projects.
- xi. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.

**2. Average net profit of the company for last three years : Rs.209,56,56,086/-**

**3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):Rs.4,19,13,121/-**

**4. Details of CSR spent during the year.**

(a) Total amount spent on CSR for the financial year 2017-18: Rs.13,72,47,076/-

(b) Total amount to be spent on CSR for the financial year 2017-18: Rs Nil

(c) Manner in which the amount spent during the financial year 2017-18:

- I. Primary Health Centre Maintenance Expenses
- II. School Maintenance Expenses

III. RO Plants Maintenance Expenses

IV. Rural Expenses

**5. In case the Company has failed to spend the two percent:**

During the financial year ended March 31, 2018, the company was required to spend Rs.4,19,13,121/-towards CSR activities but the Company has spent Rs. 13,72,47,076/- which is more than the required amount.

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

**For The Andhra Pradesh Mineral Development Corporation Limited**



**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**



**(Sri Pravin Kumar, IAS)**  
**(DIN:07106418)**  
**Managing Director**

**Place: Vijayawada**

**Date: 20.09.2024**



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,  
आन्ध्र प्रदेश, विजयवाडा - 520 002.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr.No.PAGAUAP/AMG-II/TSC-II/APMDCL-FY18/2024-25/35

Date: 17 April 2024

To  
The Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
D.NO.294, 1/D, 100 Feet, Kannur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on Standalone Financial Statements and Consolidated Financial Statements of AMPDCL for the year ended 31 March 2018.

Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 on Standalone Financial Statements and Consolidated Financial Statements of Andhra Pradesh Mineral Development Corporation Limited (AMPDCL) for the year ended 31 March 2018 for necessary action.

2. The date of placing of C&AG Comments along with Standalone and Consolidated Financial Statements, and Auditors' Reports before the shareholders of the Company may please be communicated along with a copy of proceedings of AGM meetings.
3. The date of forwarding the Annual report and financial statements (Standalone and Consolidated) of the Company together with the Auditors' Report and Comments of C&AG to the Government of Andhra Pradesh for the year ended 31 March 2018 for being laid before the State Legislature may also be intimated. Copy of letter from the Legislature Secretariat indicating date on which Annual Report is laid before State Legislature may also be intimated.
4. Five copies of the Annual Report for the year 2017-18 may also be furnished to this Office.
5. Management Letter containing deficiencies in internal controls noticed during supplementary audit of the accounts of the Company for the year is issued separately.

Encl: As above.

Yours faithfully,

**BHASKAR KALLURU** Digitally signed by  
BHASKAR KALLURU  
Date: 2024.04.17  
20:53:01 +05'30'

Senior Deputy Accountant General

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17.09.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit of the standalone financial statements of the Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 under Section 143(6)(a) of the Act. This Supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments on Profitability**

**Expenses**

**Other Expenses (Note-34): ₹67.26 crore**

1. The above does not include ₹437.37 crore payable by the Company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT) as on reporting date. The Company has been required to contribute 10 *per cent* of sales turnover to MERIT, which was formed by State Government (GO Ms.No.18 dated 13.01.2016) in place of "Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. However, the required amount towards contribution was disclosed as Contingent Liability in Note-37 to accounts, indicating that Company requested (November 2019) the Government for exemption for contributing 10 *per cent* of sales turnover and fixed amount would be contributed. As per information (December 2022), no exemption was granted by the State Government/MERIT. Hence, suitable provision should have been recognised instead of disclosure as Contingent liability. Thus, non-recognition of provision resulted in understatement of 'Other Expenses' and 'Other Current Liabilities' by ₹437.37 crore<sup>1</sup> each with consequent overstatement of the Profit for the year by the same amount.

**B. Comments on Financial Position**

<sup>1</sup> Includes ₹187.15 crore for the period 2013-16 to 2017-18 and ₹250.22 crore for the period up to 2014-15.

## **Assets**

### **Non-current Assets**

#### **Exploration intangible assets under development (Note-3): ₹297.23 crore**

2. The above includes ₹14.08 lakh towards stamp duty paid (May 2013) by the Company for JV Company, viz. APMDC-SCCL Suhyari Coal Company Limited between the Company and Singareni Collieries Company Limited (SCCL) after allotment of Suhyari Coal Block in Madhya Pradesh to the Company by Govt in July 2007. Considering the status of the JV Company as on reporting date, where the JV was inactive and no business commenced due to cancellation of license, provision towards impairment of intangible asset under development should have been recognised. Thus, non-recognition of provision resulted in overstatement of Exploration intangible assets under Development and understatement of Provision by ₹14.08 lakh each with consequent overstatement of Profit by the same amount.

### **Financial assets**

#### **Loans (Note-5): ₹60.52 crore**

3. The Company released ₹60 crore to Andhra Pradesh State Electricity Limited (APSEL) during 2017-18 towards interest free loan and classified the same as Loans (Non-current) as disclosed in Note-47 to accounts. As per the repayment schedule mentioned in the agreement with APSEL, ₹20 crore receivable by the Company in 2018-19 i.e., within one year from the reporting date, qualifies to be a current asset instead of non-current asset. Thus, wrong classification resulted in overstatement of Loans (Non-current) and understatement of Current Assets – Loans (Note-13) by ₹20 crore each.

## **Equity and Liabilities**

### **Liabilities**

#### **Current Liabilities**

#### **Provisions (Note-24): ₹1.07 crore**

4(a). The Company enhanced of age of superannuation to their employees from 58 to 60 years as per GOs/Gs 138 dated 08.08.2017 retrospectively from 02.06.2014. Considering the orders, the employees of Company, who retired at the age of 58 were allowed to be reinstated and continue up to the age of 60 years. Though the Company reinstated 25 employees no liability was provided for ₹55.70 lakh of gratuity payable for the service period beyond 58 years which was not covered by actuarial valuation as on reporting date. This resulted in understatement of 'Provisions' and 'Employee Benefits Expense (Note-30)' by ₹55.70 lakh each with consequent overstatement of the Profit for the year by the same amount.

4(b). The Company did not disclose the fact that the post-retirement benefits accounted for in the year 2017-18 based on actuarial valuation did not include the payments made in respect of 25 employees for the service period due to enhancement of superannuation age from 58 years to 60 years.

## **B. Comments on Disclosure**

5. According to Para 8 of Ind AS 18 (Revenue), Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account, and the amounts collected on behalf of third parties such as sales taxes, goods and services taxes (GST) and value

added taxes are not economic benefits which flow to the entity and do not result in increases in equity, therefore, are excluded from revenue. Hence, the Company's significant accounting policy disclosed vide Note-2(f)(i) (Revenue Recognition-Sale of Products) to recognise the sale of goods at gross value of all statutory levies i.e., Royalty, DMF, MERIT, cess collected on behalf of third parties is found deviating from the provisions of applicable Ind AS.

6. Significant Accounting Policy on Inventories under Note 2 stated that the Company recognized closing stock of 500000 MTs of C+D+W Grade of Barytes from financial year 2013-14 onwards and the remaining Stock was considered without value. This accounting policy is not in line with the Ind AS-2 (Inventories) as since sale prices declared for such quantity were available. As on 31 March 2018, there was a closing stock of 63,34,088 MTs of C+D+W Grade of Barytes. However, the Company neither disclosed information about the quantity of 63,34,088 MTs of C+D+W Grade of Barytes, which was remaining outside the books of accounts of the Company nor reasons for the same and financial impact thereon (except disclosure in Note 2).

*For and on behalf of the  
Comptroller and Auditor General of India*

*(Indu Agrawal)*

(Indu Agrawal)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प)

Place: Vijayawada

Date: 17.04.2024



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of Consolidated Financial Statements of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17.09.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Ongole Iron Mining Corporation Limited for the year ended on that date but did not conduct supplementary audit of financial statements of APMDC-SCCL, Saliyani Coal Company Limited and Nuagun Coal Company Limited (which are not Companies of the Government of Andhra Pradesh). Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the entities mentioned in Annexure being private entities for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This Supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

**A. Comments on Consolidated Profitability**

**Expenses**

**Other Expenses (Note-34): ₹67.26 crore**

1. The above does not include ₹437.77 crore payable by the Company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT) as on reporting date. The Company has been required to contribute 10 per cent of sales turnover to MERIT, which was formed by State Government (GO Ms.No.18 dated 13.01.2016) in place of "Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. However, the required amount towards contribution was disclosed as Contingent Liability in Note-37 to accounts, indicating that Company requested (November 2019) the Government for exemption for contributing 10 per cent of sales turnover and fixed amount would be contributed. As per

information (December 2023), no exemption was granted by the State Government-M.R.II. Hence, suitable provision should have been recognised instead of disclosure as Contingent liability. Thus, non-recognition of provision resulted in understatement of 'Other Expenses' and 'Other Current Liabilities' by ₹437.37 crore<sup>1</sup> each with consequent overstatement of the Profit for the year by the same amount.

## **B. Comments on Consolidated Financial Position**

### **Assets**

#### **Non-Current Assets**

##### **Exploration intangible assets under development (Note-3): ₹297.23 crore**

2. The above includes ₹14.08 lakh towards stamp duty paid (May 2013) by the Company for JV Company, viz. APMDC-SCCL Sulyari Coal Company Limited between the Company and Singareni Collieries Company Limited (SCCL) after allotment of Sulyari Coal Block in Madhya Pradesh to the Company by Govt in July 2007. Considering the status of the JV Company as on reporting date, where the JV was inactive and no business commenced due to cancellation of license, provision towards impairment of intangible asset under development should have been recognised. Thus, non-recognition of provision resulted in overstatement of Exploration intangible assets under Development and understatement of Provision by ₹14.08 lakh each with consequent overstatement of Profit by the same amount.

### **Financial assets**

#### **Loans (Note-5): ₹60.52 crore**

3. The Company released ₹60 crore to Andhra Pradesh State Fibernet Limited (APSFIL) during 2017-18 towards interest free loan and classified the same as Loans (Non-current) as disclosed in Note-48 to accounts. As per the repayment schedule mentioned in the agreement with APSFIL, ₹20 crore receivable by the Company in 2018-19 i.e., within one year from the reporting date, qualifies to be a current asset instead of non-current asset. Thus, wrong classification resulted in overstatement of Loans (Non-current) and understatement of Current Assets – Loans (Note-13) by ₹20 crore each.

### **Equity and Liabilities**

#### **Liabilities**

##### **Current Liabilities**

##### **Provisions (Note-24): ₹1.07 crore**

4(a). The Company enhanced of age of superannuation to their employees from 58 to 60 years as per GO Ms.138 dated 08.08.2017 retrospectively from 02.06.2014. Considering the orders, the employees of Company, who retired at the age of 58 were allowed to be reinstated and continue up to the age of 60 years. Though the Company reinstated 25 employees no liability was provided for ₹55.70 lakh of gratuity payable for the service period beyond 58 years which was not covered by actuarial valuation as on reporting date. This resulted in understatement of 'Provisions' and 'Employee Benefits Expense (Note-30)' by ₹55.70 lakh each with consequent overstatement of the Profit for the year by the same amount.

<sup>1</sup> Includes ₹187.15 crore for the period 2015-16 to 2017-18 and ₹251.22 crore for the period up to 2018-19

4(h). The Company did not disclose the fact that the post-retirement benefits accounted for in the year 2017-18 based on actuarial valuation did not include the payments made in respect of 25 employees for the service period due to enhancement of superannuation age from 58 years to 60 years.

**B. Comments on Disclosure**

5. According to Para 8 of Ind AS 18 (Revenue), Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account, and the amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity, therefore, are excluded from revenue. Hence, the Company's significant accounting policy disclosed vide Note-2(191) (Revenue Recognition-Sale of Products) to recognise the sale of goods at gross value of all statutory levies i.e., Royalty, DMF, MERIT, cess collected on behalf of third parties is found deviating from the provisions of applicable Ind AS.

6. Significant Accounting Policy on Inventories under Note-2 stated that the Company recognized closing stock of 500000 MTs of C-D+W Grade of Barytes from financial year 2013-14 onwards and the remaining Stock was considered without value. This accounting policy is not in line with the Ind AS-2 (Inventories) as since sale prices declared for such quantity were available. As on 31 March 2018, there was a closing stock of 63,34,988 MTs of C-D+W Grade of Barytes. However, the Company neither disclosed information about the quantity of 63,34,988 MTs of C-D+W Grade of Barytes, which was remaining outside the books of accounts of the Company nor reasons for the same and financial impact thereon (except disclosure in Note-2).

*For and on behalf of the  
Comptroller and Auditor General of India*

(INDU AGRAWAL)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प.)

Place: Vijayawada

Date: 17.04.2024

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**Annexure**

**List of Subsidiaries, Joint Ventures, and Associate Companies of APMDCL**  
(Reference to Note-43 and 44 in the Consolidated Financial Statements of APMDCL)

Sl. No.	Name of the Entity	Nature of Entity	Relation with the APMDCL
1.	M/s Andhra Phosphate Private Limited	Private	Subsidiary
2.	M/s Andhra Baryte Corporation (P) Ltd	Private	Joint Venture
3.	M/s Andhra Pradesh Iron Ore Company Ltd	Private	Joint Venture
4.	M/s Gimpex AP Barytes Beneficiation (P) Ltd.	Private	Joint Venture
5.	M/s Trimex Barite Private Ltd	Private	Joint Venture
6.	M/s. Andhra Pradesh Granites (Midwest) P Ltd	Private	Joint Venture
7.	M/s Pallava Red Granites (P) Ltd	Private	Joint Venture
8.	M/s V.V. Minerals (P) Ltd	Private	Joint Venture
9.	M/s Alliance Andhra Pradesh Black Granites Pvt Ltd.	Private	Joint Venture
10.	M/s Aswari Mineral Development P Ltd.	Private	Associate
11.	M/s Arhaon Minerals Exports (P) Ltd.	Private	Associate
12.	M/s Isra Minerals Exports (P) Ltd	Private	Associate
13.	M/s Margasree Granites (P) Ltd.	Private	Associate
14.	M/s Ongole Minerals Exports (P) Ltd.	Private	Associate
15.	M/s RLP Granites (P) Ltd	Private	Associate
16.	M/s SRAP Mineral (P) Ltd.	Private	Associate
17.	M/s A.P. Coastal Sands and Metals Pvt Ltd	Private	Associate
18.	M/s. Andhra Pradesh Tribul Mining (P)Ltd	Private	Associate

(INDU AGRAWAL)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प.)

Place: Vijayawada

Date: 17.04.2024



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,  
आन्ध्र प्रदेश, विजयवाडा - 520 002.  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr.No.PAGAUAP/AMG-JBTSC-I/APMDCL-FY18/2024-25/36

Date: 17 April 2024

To  
The Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
D.No.294, 1/D, 100 Feet, Kannur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137.

**Sub:** Management Letter- audit observations on deficiencies in internal controls noticed in connection with Supplementary Audit of Annual Accounts of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018.

Sir,

The following Provisional Comments and other audit observations on the financial statements of the Company issued to the Management are not pursued through CAG comments based on the replies /assurance of the Management.

- 1) The Company had written letter (10.06.2016) to the Member Secretary, MERIT stating that the Company had incurred expenditure of ₹ 2.11 crore on behalf of Director of Mines and Geology, GoAP from the contribution payable to MERIT from time to time and indicated net amount of ₹11,04,974/- as receivable from DMG after adjusting the expenditure with amount due to MERIT (erstwhile DMRUTF). Hence, no contribution was actually remitted to MERIT. Subsequently, the amount receivable from DMG was arrived at ₹14,71,970/- while computing contribution due to MERIT for the year 2016-17 & 2017-18 after netting the expenditure incurred on behalf of DMG. As incurring any expenditure out of funds of MERIT before actually remitting to MERIT without authority of MERIT is not found conforming to the Orders of the Government (GO Ms. No. 18 dated 13.01.2016), the Company should review all expenditure of ₹ 2.11 crore incurred by the Company so far and recognise the corresponding amount as receivable from DMG in the books of accounts of the Company instead of setting off with contribution due to MERIT. (It may be noted that CAG comment for recognising full amount of liability towards MERIT instead of disclosure of Contingent liability in Note-37 to the accounts is issued separately). Thus, omission to account for receivables coupled with incorrect setting off adjustment indicate material misstatement in the financial statements, which needs rectification.
- 2) The Company had awarded (22-2-2017) a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-Sale-Contract (RCSC) basis to M/s. CNR Tiles & Sanitary (Contractor). As per the terms and conditions of the agreement with Contractor, the contractor shall lift the material of stock within three months from expiry of contract, failing which the material that were not lifted shall be the sole property of the Company and the Company shall have the right to sell them at any price to any buyer. The contract was terminated by Company on 23-3-2020 and a fresh RCSC contract was awarded to

another contractor on 27-04-2020. Total stock remaining in the mine premises as at the end of March 2018 was 1.37 lakh MTs. Since the contract was terminated and the stock of 1.37 lakh MTs (including OB of 90,729 MTs) was left unsold by the Contractor, considering the agreement condition mentioned above, the stock as on 31-03-2018 would be the property of the Company. As the annual accounts for the year 2017-18 were approved in September 2022, before which the contract with Contractor was terminated, the Company did not take the stock of 1.37 lakh MTs was left unsold by the contractor into books of accounts. **Thus, omission to account for Company's stock indicates lack of proper internal controls on financial reporting.**

- 3) Note-18 is cross-referenced to Note-45 as 'Others', whereas Note-45 refers to disclosure of particulars of CSR Expenditure for the year and previous year. Hence, cross-referencing to Note-45 is not correct, hence wrong **disclosure needs rectification** in the financial statements. Incorrect reporting also indicates ineffective operation of internal controls on financial reporting.

**The Management confirmed that the same will be rectified at the time of printing the annual report.**

- 4) The Company has mining rights for Barytes (Mangampeta), Ball Clay (Dwaraka Tirumala), Granite (Chinnakurty) as at the end of March 2018. Out of these, APMDC is mining Barytes and Ball clay on its own, while for Granite quarry, APMDC had subleased the mines to JV Companies established by it with private partners. The disclosure of cost of mining rights should have been ensured in line with Ind AS 106. Further, accounting and disclosure of decommissioning cost of ₹17.85 lakh (WDV as at 31 March 2018) recognised as "Mining Property" should be reviewed to comply with applicable Ind AS.
- 5) As per Notes under Part-C of Schedule II to the Companies Act, 2013, the Company shall also disclose information in the accounts, inter alia, about depreciation methods used. Further, Para-73 (b) of Ind AS 16 'Property, Plant and Equipment (PPE)' stipulates that the financial statements shall disclose, the depreciation methods used for each class of PPE. However, the Company's accounting policy at Item-2(g) of Note-2 did not disclose the 'method of depreciation used for PPE' violating the provisions of Ind AS and the Schedule-II. Hence, the accounting policy on PPE is found deficient to that extent.
- 6) As per provisions of Section 143(2) of the Companies Act, 2013 the Statutory Auditors shall make a report to the members of the Company. However, the Independent Auditors Report dated 17.09.2022 addressed the Auditor Report in the Members of 'Andhra Mineral Development Corporation Limited' thereby missing the word 'Pradesh' in place of the Andhra Pradesh Mineral Development Corporation Limited. **The same needs correction in view of the Management's reply to rectify the same at the time of printing annual report.**
- 7) Para 24 under Consolidation Procedure of Ind AS 27 stipulates that Consolidated Financial Statements shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances. Though accounting policies followed by the Company and its joint venture i.e., Andhra Pradesh Granite (Midwest) Private Limited (JV) were different in respect of revenue recognition and depreciation on PPE, as mentioned below, the Company neither disclosed the fact nor impact. The Company has to comply with the Provisions of Ind AS 27 and Schedule II of the Companies Act, 2013.

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The above observations may be kept in view while preparing financial statements for the forthcoming year. Further point wise reply of the management to the above comments may be furnished while submitting next financial statements to this office for supplementary Audit or to the Audit team of this office during their field visit in connection with the supplementary Audit of the Company for further verification.

Yours faithfully,

**BHASKAR** Digitally signed by  
**KALLURU** BHASKAR KALLURU  
Date: 2024.04.17  
20:52:38 +05'30'

**Senior Deputy Accountant General**

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Address : 8th Floor, Stalin Central Mall, M G Road, Government, Vijayawada - 520 002  
Website : [www.apnandhaapradeepa.com](http://www.apnandhaapradeepa.com) Email : [apnandhaapradeepa@gmail.com](mailto:apnandhaapradeepa@gmail.com)





## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
The Andhra Mineral Development Corporation Limited

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements, that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

#### Basis for Qualified Opinion

- i) The company has passed entries for bifurcation in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the amounts transferred by the Company to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by TSMDC. Further, The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. In the absence of information, we are not able to ascertain the impact on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	38,96,55,505	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	60,04,11,188	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	1,10,80,15,026	Cr
4	APMDC - TSMDC - Advances	8	Other Non-current Assets	21,60,18,311	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	8	Other Non-current Assets	76,91,49,222	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	5,98,62,55,430	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,48,08,809	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	97,26,42,727	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,07,15,374	Dr



10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	16,98,01,235	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	24,39,261	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	5,19,61,836	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	1,30,18,006	Dr
14	Int. on Fixed Deposits	27	Other Income	34,42,72,015	Cr
15	Int. on FD kept for BG	27	Other Income	90,53,788	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	4,39,23,750	Cr
17	Int. on Sweep account SBIkh	27	Other Income	50,18,194	Cr

- i) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2018 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.
- ii) The following Ledger balances as on March 31, 2018 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2018 (in Rs.)
Adv to EE Panch. Raj Dep(RIPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	28,52,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	1,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone Ind AS financial statements.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone Ind AS financial statements.
- v) Inventories consisting of Finished Goods amounting to Rs. 82,59,92,232 and Stores and Spares amounting to Rs. 1,17,47,892 have not been physically verified during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores





and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the standalone Ind AS Financial Statements could not be ascertained.

- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Ind AS Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Non-Current Deposits, Special incentive on net profit payable and Deposit for Court Fees payable amounting to Rs. 32.66 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone Ind AS financial statements.
- viii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit), Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit), Pre Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chlmakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of seignorage fee of Rs. 0.35 crores (Credit), Deposit for court fee payable of Rs. 0.03 Crores (credit), Deposit for stamp duty payable of Rs. 0.10 Crores (Credit) and Service tax payable (Head Office) amounting to 5.24 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone Ind AS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Company has balances in Income Tax Assets amounting to Rs. 76.05 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone Ind AS financial statements.
- x) The company has Trade Receivables balance amounting to Rs. 142.33 Crores. Balance confirmations from Parties under Trade Receivables amounting to Rs 138.42 Crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone Ind AS financial statements.



- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings. -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-IV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone Ind AS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following:

- Note No 35 of the standalone Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores pertaining to Financial Year 2016-17. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.
- Note No 47 of the standalone financial statements wherein the Company has sanctioned an interest free loan to M/s Andhra Pradesh State FiberNet Limited amounting to Rs. 100 Crores and disbursed an amount of Rs. 60 Crores during the Financial Year 2017-18. However, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule as specified in the loan agreement dated 22<sup>nd</sup> July 2017 has not been adhered to and revised loan agreement has not been entered into. Accordingly, the loan has been stated at transaction price.

Our opinion is not modified in respect of the above matter.





#### **Other Matters**

The financial statements of the Company for the year ended March 31, 2017 are not adopted by the members of the company at the adjourned Annual General Meeting held on July 14, 2022 due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017, the Board of Directors of the Company in their meeting held on 17<sup>th</sup> September 2022 approved the financial statements for the year ended March 31, 2018. Consequently, we have completed our audit for the year ended March 31, 2018 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2017. The reported amounts as on March 31, 2018 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and subsequent approval at the Annual General Meeting.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Qualified Opinion paragraphs above and our separate report on the Internal Controls over Financial Reporting.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
  - e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.



g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-

- i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 37 to the Standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.



Place: Vijayawada  
Date: 17<sup>th</sup> September 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 ASWRFI 4358



**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2018)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2018, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangammapeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount- 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we cannot comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained



- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
5	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
6	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
7	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures as at Balance Sheet date.
- (ix) The Company did not raise any money by way of Initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



- (xi) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable.



Place: Vijayawada  
Date: 17<sup>th</sup> September 2022

For Sri Ramamurthy & Co  
Chartered Accountants  
FRN 0030325

*P.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 ASW RFI 4358

### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2018)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

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

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.





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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.



We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company as at March 31, 2018 and these material weaknesses has affected our opinion on the standalone Ind AS financial statements of the Company and we have issued a Qualified opinion on the financial statements of the Company.



Place: Vijayawada

Date: 17<sup>th</sup> September 2022

For Sirramamurthy & Co  
Chartered Accountants  
FAN 003032S

CA. D. TEJASGAR  
Partner  
Memb No: 227878

UDIN: 22227878ASWRPI4358

**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds/Possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved	According to the information and explanations given to us and on the basis of our examination of the records of the company, There are no cases of waiver/ write off of debts/loans/interest during the Financial Year 2017-18.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2017-18.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.





2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.</p>



	e) The quantitative details of the bills sent for clearing against the PO account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis,	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically not verified the inventory and stores and spares in FY 2017-18. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.



11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the FY 2017-18.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/MS-KDP/2013 dt 25/05/2016 which is effective for FY 2017-18.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2017-18.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Standalone Ind AS financial statements.

Place: Vijayawada

Date: 17<sup>th</sup> September 2022



For Sriramamurthy & Co  
Chartered Accountants

FRN 0030325

*D. T. Sagar*

CA D TEJA SAGAR  
Partner

Memb No: 227878

UDIN: 22227878 ASWRFI 4358

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Balance Sheet as at 31<sup>st</sup> March, 2018**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	437,749	394,248
Intangible assets	3	1,760	194
Exploration intangible assets under development	3	2,972,252	2,936,532
Capital work in progress	3	12,822	8,392
Intangible asset under development		-	1,838
<b>Financial assets</b>			
Investments	4	11,027	22,027
Loans	5	605,230	2,998
Other financial assets	6	7,181,201	7,064,845
Deferred tax assets (net)	7	87,332	69,429
Other non-current assets	8	1,648,574	1,531,376
Non-current tax assets (net)	9	760,498	726,074
<b>Current assets</b>			
Inventories	10	836,941	1,452,053
<b>Financial assets</b>			
Trade receivables	11	1,423,386	326,167
Cash and cash equivalents	12.1	149,694	234,508
Other bank balances	12.2	2,414,702	293,148
Loans	13	724	1,001,241
Other financial assets	14	253,117	268,631
Other current assets	15	555,152	982,345
<b>TOTAL ASSETS</b>		<b>19,352,161</b>	<b>17,316,047</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	15,280,754	13,558,561
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	2,566,789	2,447,061
Provisions	19	50,293	46,784
Other non-current liabilities	20	79,232	77,570
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	240,681	259,181
Other financial liabilities	22	729,925	796,913
Other current liabilities	23	20,136	15,433
Provisions	24	10,746	24,023
Current tax liabilities (net)	25	310,547	27,459
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,352,161</b>	<b>17,316,047</b>
<b>Notes to financial statements</b>	<b>1-52</b>		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
D. T. Sagar  
Partner  
Mem No. 227878



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

D. Ramadevi  
Director  
DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A



Place: Vijayawada  
Date: 17<sup>th</sup> September, 2022

UDIN: 20227878 ASWAPF 4358



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018**  
 All amounts are in thousands, unless otherwise stated

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	26	5,765,707	5,657,969
Other income	27	553,075	711,668
<b>Total (i)</b>		<b>7,319,782</b>	<b>6,369,637</b>
<b>Expenses</b>			
Cost of materials consumed	28	22,231	39,333
Change in inventories of finished goods	29	620,647	(842,145)
Employee benefits expense	30	321,319	257,970
Finance costs	31	79,177	76,447
Depreciation and amortization expense	32	46,854	44,437
Power and fuel		59,656	71,997
Excavation & transport charges	33	2,737,476	3,173,342
Other expenses	34	672,626	601,246
<b>Total (ii)</b>		<b>4,508,991</b>	<b>3,416,622</b>
<b>Profit before exceptional items and tax</b>		<b>2,810,791</b>	<b>2,953,015</b>
Add : Exceptional items (Net)	35	-	2,185,664
<b>Profit before tax</b>		<b>2,810,791</b>	<b>5,138,679</b>
Less : Tax expense/(benefit)			
Earlier years		-	4,976
Current tax		1,090,085	1,237,965
Deferred tax		(12,990)	724,236
<b>Total tax expense/(benefit)</b>		<b>1,077,095</b>	<b>1,967,177</b>
<b>Profit from continuing operations</b>		<b>1,733,696</b>	<b>3,171,502</b>
Profit/(loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
Profit/(loss) from discontinuing operations		-	-
<b>Net profit/(loss) for the year (A)</b>		<b>1,733,696</b>	<b>3,171,502</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(5,417)	(1,242)
Income tax on above items		4,914	(1,468)
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(503)</b>	<b>(3,710)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,733,193</b>	<b>3,167,791</b>
<b>Earnings per equity share (in Rs) -</b> <b>(Nominal value of share Rs.1000 /-)</b>			
- Before exceptional item		<b>27,491.93</b>	<b>27,588.77</b>
- After exceptional item		<b>27,491.93</b>	<b>50,291.80</b>
<b>Basic and diluted:</b> Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*P.T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No.227878



*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

*D. Ramadevi*  
 D. Ramadevi  
 Director  
 DIN: 08076094

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A



Place : Vijayawada  
 Date : 17<sup>th</sup> September, 2022

UDIN: 20227878 ASW RFI 4358

**Statement of Changes in equity for the year ended 31-03-2018**

**A. Equity share capital**

Particulars	No. of Shares	Amount (Rs. in '000's)
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 31 <sup>st</sup> March, 2018	63,062	63,062

**B. Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income			Total	
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General Reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actual Gains/Losses reserve		Deferred tax on OCI Items
Balance at the beginning of reporting period - 31-03-2016	22,000	8,000	1,704,951	4,682,127	(5,657)	543	(9,070)	10,406,897
Profit for the year	-	-	-	3,175,543	-	-	-	3,175,543
Impact of correction of errors of earlier years	-	-	-	(26,185)	-	-	-	(26,185)
Other comprehensive income for the year	-	-	-	3,175,543	-	-	(1,468)	45,710
Total comprehensive income for the year	-	-	-	3,175,543	-	-	(1,468)	3,17,813
Transfer to reserve for bad and doubtful debts	-	10,600	-	(10,600)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(6,439)	-	-	-	-
Balance at the beginning of reporting period - 31-03-2017	22,000	18,600	1,704,951	13,829,192	(3,087)	4,951	1,448	13,858,581
Profit for the year	(11,000)	-	-	1,733,656	-	-	(5,075)	(11,000)
Other comprehensive income for the year	-	-	-	1,733,656	-	(2,437)	4,319	1,733,698
Total comprehensive income for the year	-	-	-	1,733,656	-	(5,437)	4,913	1,732,190
Transfer to reserve for bad and doubtful debts	-	62,071	-	(62,071)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(2,003)	-	-	-	-
Balance at the end of reporting period - 31-03-2018	11,000	81,671	1,704,951	13,763,232	(5,687)	5,417	4,208	15,580,234

As per our report of even date

For and on behalf of the Board of Directors

For Streamamurthy & Co  
Chartered Accountants  
Firm Regn No: 00303325

*Dr. Teja Sagar*  
Partner  
Mem No. 227828

*V. S. Venkata Reddy*  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
Director  
DIN: 04020094



Place: Vijayawada  
Date: 17<sup>th</sup> September, 2022



UDIN: 22-22-2828 AS12 R.F.E 4358

The Andhra Pradesh Mineral Development Corporation Limited

Cash flow statement for the year ended 31<sup>st</sup> March, 2018

All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operations	28,10,791	51,38,679
Adjustments for:		
Interest expense	79,172	76,447
Interest Income	(5,47,641)	(6,36,004)
Dividend Income	-	(1,400)
Depreciation/amortization on continuing operations	46,854	41,432
Bad & doubtful debts	16,260	41,922
Bad & doubtful advances	3,424	4,503
Assets written off	-	45
Provision for diminution in value of investments	-	10
Remeasurement of defined benefit plans	(5,417)	(2,242)
Provision no longer require written back	2	9,546
<b>Operating profit before working capital changes</b>	<b>23,53,455</b>	<b>46,72,938</b>
Adjustment for working capital:		
Increase/(decrease) in trade payables	(18,500)	1,71,263
Increase/(decrease) in provisions	2,73,319	(21,76,957)
Increase/(decrease) in other financial liabilities	52,737	15,86,081
Increase/(decrease) in other liabilities	5,366	(1,66,950)
Decrease/(increase) in trade receivables	(11,13,474)	(2,28,479)
Decrease/(increase) in inventories	6,15,117	(8,40,535)
Decrease/(increase) in other assets	3,06,800	7,89,491
Decrease/(increase) in other financial assets	(1,00,841)	(6,98,243)
<b>Cash generated from operations</b>	<b>23,74,969</b>	<b>26,09,511</b>
Direct taxes paid (net of refunds)	11,24,509	12,42,962
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,50,460</b>	<b>13,66,548</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant, equipment, including intangible assets under development	(1,30,473)	(17,30,839)
Bank deposits	(21,21,553)	8,64,342
Loans repaid / Given to related parties	3,98,284	(9,62,623)
Interest received	5,17,641	6,36,004
Dividends received from subsidiaries & joint ventures	-	4,400
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(13,06,101)</b>	<b>(12,08,516)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(29,173)	(76,447)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(29,173)</b>	<b>(76,447)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(84,814)</b>	<b>81,585</b>
Cash and cash equivalents at the beginning of the year	2,34,508	1,52,923
<b>Cash and cash equivalents at the end of the year</b>	<b>1,49,694</b>	<b>2,34,508</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	135	89
With banks accounts	1,49,559	2,34,420
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>1,49,694</b>	<b>2,34,508</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report of even date

For and on behalf of the Board of Directors

For Sriramamurthy & Co

Chartered Accountants

Firm Regn No: 0030325

*J.T. Sagar*

Dondeti Teja Sagar

Partner

Mem No.227878

Place: Vijayawada

Date : 17<sup>th</sup> September, 2022



*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
D. Ramadevi  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A



UDIN: 22227878 ASWRFI 4358



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb, 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/10, 100 ft road, Kanuru Village, Penamalluru Mandal, Vijayawada, Andhra Pradesh- 521137

### 2. Significant Accounting Policies

#### a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 as amended and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.



An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.



#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.



Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).



Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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





The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.





**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.



**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-



- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The company has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

#### **r. Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

#### **s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



**Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:



- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.





Evaluation expenditures are capitalised as intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**The Adithi Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, CUM, Intangible Assets, Intangible Assets under development for the year ended 31-03-2018

Note -3

Particulars	Gross block			Depreciation			Net block			
	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation For the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2018	Net carrying amount as at 31.03.2017
Free hold land	2,27,947	-	-	2,27,947	-	-	-	-	2,27,947	2,27,947
Buildings	31,041	11,901	1,781	41,762	7,124	5,832	3,781	11,255	29,527	23,858
Plant and machinery	1,11,897	31,128	-	1,43,025	29,739	17,299	-	47,038	95,987	81,158
Furniture & fixtures	3,276	9,160	-	12,436	1,426	1,191	-	2,617	9,819	1,850
Leasehold property	4,101	-	-	4,101	4,432	3,632	-	6,064	3,677	4,709
Office equipment	6,123	13,540	-	19,663	3,426	3,998	-	7,424	12,239	1,697
Mining and equipment	66,036	35	-	66,071	21,857	9,854	-	32,706	33,765	43,184
Data processing equipment	11,812	2,128	-	13,940	7,518	3,423	-	10,941	2,959	4,294
Tools & jacks	2,934	-	-	2,934	1,316	1,033	-	2,249	685	1,718
Lease hold improvements	3,270	21,864	-	25,094	3,230	1,945	-	5,175	19,919	-
Mining property	1,976	-	-	1,976	142	49	-	151	2,185	1,834
Total	4,75,414	89,796	1,781	5,63,389	61,185	46,248	1,781	1,25,640	4,37,749	3,94,237
Intangible Assets										
Particulars	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation For the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2018	Net carrying amount as at 31.03.2017
Computer software	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Total	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Exploration intangible assets under development										
Intangible asset under development	29,52,569	35,720	16,037	29,72,252	-	-	-	-	29,72,252	29,35,532
Capital work in progress	1,838	-	1,838	-	-	-	-	-	-	1,838
Total	8,392	12,822	8,392	12,822	-	-	-	-	12,822	2,592



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2018**  
 All amounts are in thousands, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2018	March 31, 2017
	<b>Unquoted equity investments - investments measured at cost</b>		
	<b>Investments in subsidiary companies</b>		
	i. M/s APMDCL SECL Sulluri coal company limited		
	5,100 shares allotted of Rs.10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Nuzvid coal company limited		
	3,000 equity shares of Rs. 100/- each fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s. Ongole iron ore mining company private limited		
	56,100 equity shares of Rs. 10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited.		
	1,110 equity shares of Rs.1,000/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	<b>Investment in Associates</b>		
	v. M/s. Aswani mineral development private limited		
	65,000 equity shares of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Arrium minerals exports private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Iria minerals exports private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalore granites private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RSP granites private limited		
	3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A.P. coastal sands & noreph private limited.		
	13,000 equity shares of Rs.10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh tribal mining private limited		
	28,600 equity shares of Rs.10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)
	<b>Investment in Joint Ventures</b>		
	xiv. M/s. A.P. granites (midwalal granite limited)		
	11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000
	xv. M/s. Alliance A.P. Black gallery granites private limited		
	11,00,000 equity shares of Rs. 10/- each fully paid up	11,000	11,000
	Less: Provision made for diminution in the value of shares	(11,000)	(11,000)



vi. M/s Pallava red granite private limited 71,00,000 equity shares of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 -
vii. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
viii. M/s Andhra baryte corporation private limited 8,52,500 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
ix. M/s Andhra Pradesh iron ore company limited 6,850 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
x. M/s Tilmor baryte private limited 4,50,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xi. M/s V.V. Minerals private limited 1,100 equity shares of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
Investments represented as amortised cost Investment in Government Securities (unquoted) Less: Provision made for doubtful investment	7,114 (7,082) 11,027	7,114 (7,082) 11,027
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	11,027	11,027
Aggregate provision for diminution in value of investments	38,497	38,497
Aggregate Provision made for doubtful investment	7,404	7,404

5	Loans (Non-current)	As at March 31, 2018	As at March 31, 2017
	Security deposits		
	Unsecured, considered doubtful	9,247	9,244
	Less: Provision for doubtful debts	(9,291)	(9,274)
	Loans to companies		
	Loan to AP state Barytes & mica - Refer Note: 47		
	Unsecured, considered good	600,000	-
	Vehicle loans to staff		
	Unsecured, considered good	4,235	2,063
	Other Loans to staff		
	Unsecured, considered good	995	494
	Unsecured, considered doubtful	68	10
	Less: Provision for doubtful items	(68)	(10)
	<b>Total</b>	<b>605,130</b>	<b>2,558</b>

6	Other Financial Assets (Non-Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good - Refer note: 48		
	Balance in current account	6,779	6,779
	Long term bank deposits	7,103,707	6,991,178
	Sweep accounts	70,713	66,742
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(3,996)
	<b>Total</b>	<b>7,181,209</b>	<b>7,068,845</b>



7	<b>Deferred tax asset (Net)</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>Deferred tax asset</b>		
	Property, plant & equipment	11,121	6,182
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	8,421	4,724
	Provision for decommissioning costs	17,405	16,191
	Provision for bad & doubtful debts, investments & advances	51,921	47,207
	<b>Gross Deferred tax asset</b>	<b>89,878</b>	<b>74,505</b>
	<b>Deferred tax liability</b>		
	Investment	(2,538)	(5,076)
	<b>Gross deferred tax liability</b>	<b>(2,538)</b>	<b>(5,076)</b>
	<b>Deferred tax asset - net</b>	<b>87,332</b>	<b>69,429</b>
8	<b>Other non-current assets</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>A) Capital advances</b>		
	Unsecured, considered good	739,387	774,615
	Unsecured, considered doubtful	26,023	26,000
	Provision for doubtful advances	(26,023)	(26,000)
		<b>739,387</b>	<b>774,615</b>
	<b>B) Advances other than capital advances</b>		
	Unsecured, considered good	1,014,277	904,805
	Unsecured, considered doubtful	24,872	22,160
	Less: Provision for doubtful advances	(24,872)	(22,160)
		<b>1,014,277</b>	<b>904,805</b>
	<b>C) Others - Specified</b>		
	Unsecured, considered good	194,016	386,956
	Unsecured, considered doubtful	12,164	8,852
	Less: Provision for doubtful advances	(12,164)	(8,852)
		<b>194,016</b>	<b>386,956</b>
	<b>Total</b>	<b>1,648,574</b>	<b>1,532,376</b>
9	<b>Non current tax assets (Net)</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>Advances tax</b>		
	Corporate tax receivable	760,498	726,053
	Tax collection at source	-	31
	<b>Total</b>	<b>760,498</b>	<b>726,074</b>
10	<b>Inventories</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	Finished Goods	825,952	1,445,039
	Less: Provision made	(799)	(799)
	Stores and spares	11,748	7,213
	<b>Total</b>	<b>836,941</b>	<b>1,452,052</b>



11	Trade receivables (Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good	1,423,386	326,167
	Unsecured, considered doubtful	58,564	46,280
	Less: Provision for doubtful trade receivables	(58,564)	(46,280)
	Total	1,423,386	326,167
12.1	Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	1,49,559	234,420
	Cash on hand	135	89
	(A)	1,49,694	234,509
12.2	Other bank balances		
	in sweep accounts	1,414,707	293,148
	Fixed deposits with maturity > 3 months but < 12 months	1,000,000	-
	(B)	2,414,707	293,148
	Total	3,911,391	527,657
13	Loans (current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good		
	Vehicle loans to staff	350	89.2
	Short term loan to AP State Fibre net limited. Refer Note - 47	-	1,000,000
	Other loans to staff	374	244
	Total	724	1,089,241
14	Other financial assets (Current)	As at March 31, 2018	As at March 31, 2017
	Deposit with others	37	54
	Secured, considered good		
	Advances receivable as cash		
	Unsecured, considered good	623	263
	Interest accrued on deposits	257,054	211,863
	Less: Provision made	(4,595)	(4,539)
	Total	253,117	268,631
15	Other current assets	As at March 31, 2018	As at March 31, 2017
	A) Advances Receivable		
	Unsecured, considered good	63,844	63,374
	Doubtful	-	-
	Less: Provision for doubtful items	-	-
		63,844	63,374
	B) Others - Specified		
	Balance with statutory authorities	450,491	893,447
	Prepaid expenses	40,817	25,724
		491,308	919,171
	Total	955,152	982,545





16	Share capital	As at March 31, 2018	As at March 31, 2017
<b>Authorized share capital:</b>			
1,00,000 equity shares of Rs.1000/- each (Previous year - 1,00,000 equity shares of Rs. 1000/- each)	100,000	100,000	
	100,000	100,000	
<b>Issued, subscribed and fully paid up share Capital:</b>			
63,062 equity shares of Rs.1000/- each fully paid up in cash (Previous year - 63,062 equity shares of Rs.1000/- each)	63,062	63,062	
	63,062	63,062	

16.3 Additional notes

Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018	As at March 31, 2017
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

16.4 the company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

16.5 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the Share holder	As at March 31, 2018	As at March 31, 2017
Government of the Andhra Pradesh- represented by Assistant Secretary to Government (mines) Industries & Commerce department	63,059 (100%)	63,059 (100%)

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Other equity	As at March 31, 2018	As at March 31, 2017
<b>Capital Reserves</b>		
Free reserve equity shares for consideration other than cash allowed by		
<b>i. M/s. Aswani mineral development private limited.</b>		
66,000 equity shares of Rs.10/- each fully paid up	660	660
Less: Provision made for diminution in the value of shares	(660)	(660)
<b>ii. M/s SRAP mineral private limited</b>		
3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
<b>iii. Arjuna minerals exports private limited.</b>		
1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
<b>iv. HPS minerals exports private limited</b>		
1,30,000 equity shares Rs. 10/- each fully paid up	1,300	1,300
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
<b>v. Margaree granites private limited</b>		
1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
<b>vi. Ongole minerals exports private limited</b>		
3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
Less: Provision made for diminution in the value of shares	(3,250)	(3,250)



ya. RUP granites private limited 3,25,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vi. M/s.A.P.granites(midwest) private limited 11,00,000 equity shares of Rs. 10/- each fully paid up	11,000	11,000
vi. M/s.affiance A.P.black galaxy granites private limited 11,00,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
vii. M/s.Palava red granites private limited 11,00,000 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 -
viii. M/s. A.P coastal sands & metals private limited , 13,00 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
ix. M/s.Ongole Iron ore mining company private limited 561 equity shares of Rs. 10/- each fully paid up Less: Provis on made for diminution in the value of shares	561 (561)	561 (561)
x. M/s.Gripax A.P barytes participation private limited 1320 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xi. M/s.Andhra baryte corporation private limited 8,52,500 equity shares Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xii. M/s. Andhra Pradesh iron ore company limited 6,650 equity shares of Rs. 10/- each fully paid up Less: Provis on made for diminution in the value of shares	66 (66)	66 (66)
xiii. M/s. Times baryte private limited 4,50,000 equity shares of Rs. 10/- each full paid up Less: Provis on made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xiv. M/s. V.V. minerals private limited 1,100 equity shares of Rs. 100/- each full paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Equity instruments (through OCI)</b>	<b>11,000</b>	<b>11,000</b>
Opening balance	17,482	110,191
Other comprehensive income for the year	(503)	(3,710)
Add/(Less): Transferred from/(To) retained earnings	7,385	6,420
Closing balance	-	(7,482)
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	18,589	8,000
Add/(Less): Transferred from to profit and loss account	62,471	10,490
Closing balance	81,060	18,489
<b>General Reserve</b>		
Balance as per the last Financial Statements	1,704,961	1,704,961
Closing balance	1,704,961	1,704,961



<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	11,870,352	3,665,999
Profit for the year	1,753,696	2,171,501
	13,554,048	11,837,500
<b>Less: Appropriations</b>		
Transferred from/to other comprehensive income	2,985	6,419
Reserve for bad and doubtful debts	42,871	14,640
Total appropriations	20,856	17,109
<b>Net surplus in statement of profit and loss</b>	<b>13,493,232</b>	<b>11,820,392</b>
<b>Total reserves and surplus taken to balance sheet</b>	<b>15,280,754</b>	<b>13,596,591</b>
<b>18 Other financial liabilities (Non-Current)</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Expenses payable against infrastructure development	70,320	65,100
Deposits	17,284	10,490
Others - refer note-45	2,479,185	1,243,071
<b>Total</b>	<b>2,546,785</b>	<b>2,447,061</b>
<b>19 Provisions (Non-current)</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Provision for Others:		
Provision for decommissioning cost	50,293	46,784
<b>Total</b>	<b>50,293</b>	<b>46,784</b>
<b>20 Other Non-current liabilities</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Statutory liabilities	79,292	72,570
<b>Total</b>	<b>79,292</b>	<b>72,570</b>
<b>21 Trade payables (Current)</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Trade payables:		
Due to micro enterprises and small enterprises	-	-
Due to creditors other than micro enterprises and small enterprises	240,681	259,181
<b>Total</b>	<b>240,681</b>	<b>259,181</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below:		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
a) Principal amount and interest due thereon	-	-
b) Interest paid in terms of section 16 of MSME Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSME Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSME Act, 2006	-	-
Due to the micro and small enterprises have been determined in the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors		



22	Other financial liabilities (Current)	As at March 31, 2018	As at March 31, 2017
	Salaries & other benefits payable	14,718	13,357
	Security deposits from customers	253,272	282,678
	Other payables	442,865	485,876
	Total	710,855	781,911
23	Other current liabilities	As at March 31, 2018	As at March 31, 2017
	Statutory liabilities	20,136	15,433
	Total	20,136	15,433
24	Provisions (Current)	As at March 31, 2018	As at March 31, 2017
	Provision for employee benefits	8,140	9,788
	Provision for gratuity	2,636	14,305
	Provision for leave benefits	10,748	24,023
	Total	21,524	48,116
25	Current tax liabilities	As at March 31, 2018	As at March 31, 2017
	Provision for income tax	310,547	27,459
	Total	310,547	27,459



**The Andhra Pradesh Mineral Development Corporation Limited**  
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 All amounts are in thousands, unless otherwise stated

26	Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Sale of products	7,457,841	6,254,841
	Less: Statutory levies	849,356	794,309
	Net sales	6,608,485	5,460,532
	Sale of services	156,222	297,437
	<b>Total</b>	<b>6,764,707</b>	<b>5,757,969</b>
27	Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest income		
	Bank deposits	461,486	635,017
	Loans	252	218
	Others	85,924	18,037
	Other (miscellaneous) income	1,246	13,295
	Rent receipts	709	654
	Forfeiture of security deposits	2,488	462
	Penalty on buyers/sellers	35	28,579
	Sale of tender documents	996	899
	Sale of scrap	57	36
	Freight & insurance on despatches	-	376
	Dividend from M/s. A.P. Granates (midwest) Private Limited	-	4,400
	Excess provision written back	2	9,546
	<b>Total</b>	<b>533,075</b>	<b>711,648</b>
28	Cost of materials consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
	Consumption of packing material	22,231	33,333
	<b>Total</b>	<b>22,231</b>	<b>33,333</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2018	For the year ended March 31, 2017
	a) Opening stock of finished goods	1,445,639	603,494
		1,445,639	603,494
	b) Closing stock of Finished Goods	825,992	1,445,639
		825,992	1,445,639
	<b>Changes in inventories of finished goods</b>	<b>619,647</b>	<b>(842,145)</b>



30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Salaries and wages	189,561	192,498
	Employer's contribution to PF and other funds	109,155	26,798
	Staff welfare and other expenses	22,603	38,673
	<b>Total</b>	<b>321,319</b>	<b>257,970</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Interest on advance from customers	-	73,183
	Unwinding of discounting of provision for decommissioning	3,509	3,264
	Other interest	25,663	-
	<b>Total</b>	<b>29,172</b>	<b>76,447</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Depreciation of tangible assets	44,203	44,206
	Amortization of intangible assets	661	226
	<b>Total</b>	<b>44,864</b>	<b>44,432</b>
33	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Excavation & transport charges for RDM	213,813	401,145
	Excavation & transport charges for overburden	2,523,663	2,772,197
	<b>Total</b>	<b>2,737,476</b>	<b>3,173,342</b>
34	<b>Other expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Rents	13,905	10,390
	Repairs & maintenance	8,673	13,296
	Insurance	1,047	667
	Rates and taxes	473	21,999
	Other expenses	-	-
	Operating expenses	104,323	163,375
	Royalty & other levies	15,706	7,165
	Selling expenses	26,011	74,107
	Prospecting & mining lease expenses	20,710	16,199
	Office & general expenses	62,347	74,308
	Audit fee for statutory auditors	500	500
	Audit fee for other auditors	436	506
	Expenses to auditors	45	129
	Printing & stationery	2,475	3,147
	Postage, telegrams & telephones	5,631	4,987
	Corporate social responsibility expenses	137,247	15,160
	Remuneration to outsourced services	246,904	133,883
	Bad & doubtful debts (Provision)	16,260	41,922
	Bad & doubtful advances (Provision)	3,424	-
	Bad & doubtful investments (Provision)	-	4,502
	Provisions for non moving stock	-	799
	Fixed assets written off	-	45
	Data processing charges	2,477	3,241
	Loss in transit	-	2,548
	Rehabilitation expenses	4,032	4,470
	<b>Total</b>	<b>672,626</b>	<b>601,246</b>





	Payment to Auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
	Statutory audit fee	500	500
	Total	500	500
25	Exceptional Items (Net)	For the year ended March 31, 2018	For the year ended March 31, 2017
	Provision for stripping adjustment no longer required		2,185,664
	Total	-	2,185,664
	Other comprehensive income		
	Items that will not be reclassified to P&L	For the year ended March 31, 2018	For the year ended March 31, 2017
	Remeasurement of Defined Benefit Plan Loss/Gain		
	Gratuity	(5,864)	(1,489)
	Leave encashment	1,447	(3,462)
	Gratuity plan asset OCI	-	2,499
	Leave encashment plan asset OCI	-	210
	Deferred tax on above items	4,914	(1,468)
	Total	(503)	(3,719)
36	Income Tax		
	The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are:		
	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit and Loss section		
	Current tax:		
	Current income tax charge	1,090,085	1,237,965
	Tax relating to earlier years/(credits)	-	4,976
	Total (a)	1,090,085	1,242,941
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(12,990)	724,236
	Total (b)	(12,990)	724,236
	OCI section		
	Deferred tax related to items recognised in OCI during the year:	4,914	(1,468)
	Total (c)	4,914	(1,468)
	Total	1,082,009	1,965,709
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit/(loss) before tax as per statement of profit and loss	2,610,793	5,138,679
	Income tax using the company domestic tax rate @34.601% (previous year rate @ 34.601%)	972,750	1,778,394
	Tax effect of:		
	i) Deferred tax asset not created on temporary differences/absorbed depreciation	(12,990)	724,236
	ii) Adjustment due to expenses not considered under IT Act	117,326	(540,429)
	iii) Tax relating to earlier years		4,976
	Total income tax recognised in statement of P & L	1,077,095	1,967,177



**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2018	As at 31.03.2017
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,34,315	4,34,315
iii	Capital commitment towards Chimakurthy Black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Signiorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs./5,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.At No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O Ms.No 18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>36,97,005 6,76,670</p>	<p>31,31,209 5,65,796</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



<b>C</b>	Capital commitments in respect of unexecuted contracts.	15,128	.
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders Issued by the Sales tax / Vat authorities for the years 1998-1999 to 2017-2018, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	160	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,772	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



### 38. Classification of financial instrument

A. Classification of financial liabilities and financial assets are classified in accordance with the accounting policies

As at 31st March, 2018

As at 31st March, 2020						
Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments at amortised cost</b>						
Non-current investments	4	-	-	11,027	-	11,027
<b>Financial assets not measured at fair value</b>						
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12.1	-	-	1,49,694	-	1,49,694
Bank balances other than above	12.2	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Fixed deposits	6	-	-	71,03,707	-	71,03,707
Advances to staff	14	-	-	621	-	621
Interest receivable	14	-	-	2,52,459	-	2,52,459
<b>Total</b>		-	-	<b>1,20,39,044</b>	-	<b>1,20,39,044</b>
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	29,22,050	29,22,050
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>35,37,392</b>	<b>35,37,392</b>



As at 31st March, 2017

Particulars	Note	Carrying amount				Total
		Financial assets – FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments at amortised cost						
Non-current investments	4	-	-	22,027	-	22,027
Financial assets not measured at fair value						
Loans	5 & 13	-	-	10,04,238	-	10,04,238
Trade receivables	11	-	-	3,26,167	-	3,26,167
Cash and Cash equivalents	12.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	12.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	6	-	-	73,567	-	73,567
Fixed Deposits	6	-	-	69,91,332	-	69,91,332
Advances to staff	14	-	-	263	-	263
Interest receivable	14	-	-	2,68,314	-	2,68,314
Total		-	-	92,13,565	-	92,13,565
Financial liabilities not measured at fair value						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,59,181	2,59,181
Other financial liabilities		-	-	-	-	-
Relating to Employees	22	-	-	-	23,357	23,357
Expenses payable against Infrastructure Development	18	-	-	-	68,500	68,500
Others	18 & 22	-	-	-	28,57,949	28,57,949
Deposits	18 & 22	-	-	-	2,94,168	2,94,168
Interest Payable	20 & 24	-	-	-	-	-
Total		-	-	-	35,03,155	35,03,155





### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2017-18	2016-17
Ageing	>12 Months	>12 Months
Gross carrying amount	14,23,386	3,26,167
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	14,23,386	3,26,167
Carrying amount of trade receivables (net of impairment)	-	-

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Barytes	3,38,395	(3,38,335)	2,82,898	(2,82,898)

###### b. Packing material price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(1,112)	1,112	(1,667)	1,667



**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense: Excavation & Transport Charges for ROM	(10,691)	10,691	(20,057)	20,057
Excavation & Transport Charges for Overburden	(1,26,183)	1,26,183	(1,38,610)	1,38,610

**40. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2018**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	32,96,710	7,29,925	25,66,785	-
<b>Total</b>	<b>35,37,391</b>	<b>9,70,606</b>	<b>25,66,785</b>	<b>-</b>

**As at 31st March 2017**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	32,40,187	7,93,126	24,47,061	-
<b>Total</b>	<b>34,99,369</b>	<b>10,52,308</b>	<b>24,47,061</b>	<b>-</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2018	As at 31-03-2017
Employers contribution to provident fund	8,462	6,817
Employers contribution to pension fund	5,328	4,641



## 8. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March 2017

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	47,111	52,490	45,475	47,022
Service cost	2,253	1,446	4,006	3,464
Interest expenses	3,657	3,718	3,619	3,291
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(2,775)	(12,032)	(454)	(11,764)
Remeasurements - actuarial (gains)/losses	6,865	1,489	(1,486)	3,462
<b>Benefit obligations at the end</b>	<b>57,113</b>	<b>47,111</b>	<b>51,160</b>	<b>45,475</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	37,394	34,294	31,169	28,726
Interest income	(3,353)	(74)	(3,072)	4,996
Employer contributions	11,808	12,707	14,924	9,001
Benefits payments from plan assets	(2,776)	(12,032)	(455)	(11,764)
Actuarial gain / (loss) on plan assets	1	2,499	(39)	210
<b>Benefit obligations at the end</b>	<b>48,973</b>	<b>37,394</b>	<b>48,555</b>	<b>31,169</b>



ii. Amount recognized in the balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
PV of obligations at the end of the year	51,160	45,475	57,113	47,112
Fair value of plan assets at the end of the year	48,555	31,170	48,973	37,394
Liability (+)/Asset (-) recognised in the balance sheet	2,606	14,305	8,140	9,718

iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Service cost	2,253	1,446	4,006	3,464
Interest expenses	304	3,792	547	(1,705)
Net expense recognised	2,557	5,238	4,553	1,759

iv. Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Actuarial (gain)/losses on obligations for the period	6,865	1,010	(1,487)	3,462
Actuarial (gain)/losses on plan assets for the period	(1)	(2,499)	(39)	(210)
Net expense recognised	5,864	(1,010)	(1,448)	3,252

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Rate of discounting	7.62%	8.00%	7.62%	8.00%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%



**v. Summary of Demographic Assumptions**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.69	12.00	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

**v. Maturity Profile of Defined Benefit Obligations:**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Expected Cash flow in year 1	25,041	11,128	22,279	12,310
Expected Cash flow in year 2	3,368	12,958	7,114	13,088
Expected Cash flow in year 3	3,649	2,642	5,901	5,590
Expected Cash flow in year 4	5,642	3,269	5,855	4,670
Expected Cash flow in year 5	5,240	5,081	4,713	4,619
Expected Cash flow in year 6	6,159	4,401	4,557	3,697
Expected Cash flow in year 7	2,942	4,397	2,535	3,575
Expected Cash flow in year 8	3,322	2,578	2,479	1,893
Expected Cash flow in year 9	3,764	2,661	2,417	1,884
Expected Cash flow in year 10	1,231	3,123	1,111	1,858

**vi. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs. in '000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	57,113	47,112	0.00%	0.00%
Salary Escalation - Up by 1%	59,777	48,701	4.60%	3.40%
Salary Escalation - Down by 1%	54,716	45,418	-4.20%	-3.60%
Withdrawal Rates - Up by 1%	57,550	47,593	0.80%	1.00%
Withdrawal Rates - Down by 1%	56,633	46,586	-0.80%	-1.10%
Discount Rates - Up by 1%	55,131	45,275	-3.50%	-3.90%
Discount Rates - Down by 1%	59,315	49,144	3.90%	4.30%





**vii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs. in '000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	51,160	45,475	0.00%	0.00%
Salary Escalation - Up by 1%	52,891	47,091	3.40%	3.60%
Salary Escalation - Down by 1%	49,520	43,942	3.20%	-3.40%
Withdrawal Rates - Up by 1%	51,333	45,683	0.30%	0.50%
Withdrawal Rates - Down by 1%	50,977	45,256	-0.40%	-0.50%
Discount Rates - Up by 1%	49,934	44,286	-2.40%	-2.60%
Discount Rates - Down by 1%	52,481	46,751	2.60%	2.80%

**viii. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

**ix. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2018	As at 31-03-2017
Profit after tax before exceptional items	17,33,193	17,42,253
Add: exceptional items	-	14,29,249
Profit after tax after exceptional items	17,33,193	31,71,502
Profit available for Equity Shareholders	17,33,193	31,71,502
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (in Rupees) - before exceptional item	27,491.93	27,568.77
Basic and diluted Earnings Per Share (in Rupees) - after exceptional item	27,491.93	50,291.80





**43. Related Party Transactions****A. List of related parties****(% of holding)**

Name of the related party	As at 31-03-2018	As at 31-03-2017
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Mangasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personnel:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	Fellow Government company

**B. Related party transactions****1. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income (Dividend)
Andhra Pradesh granite (Midwest) private limited	1,17,283	-
Pallava red granite private limited	32,520	-



ii. Amount due (to)/from related parties

Name of the related party	As at 31-03-2018	As at 31-03-2017
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,30,914
Pallava red granite private limited	35,628	46,946
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	1,721	1,721

iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:

Name of the related party	As at 31-03-2018	As at 31-03-2017
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	12,056

iv. Balance during the year with related parties

Investment in subsidiaries	As at 31-03-2018	As at 31-03-2017
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Suliyan coal company limited	51	51
Nuagon coal company limited	5,957	5,957
Total	7,679	7,679
Investment derated/provision	7,679	7,679

Investment in joint ventures	As at 31-03-2018	As at 31-03-2017
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimper AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
Total	46,217	46,217
Investment derated/provision	35,217	24,217

Investment in associates	As at 31-03-2018	As at 31-03-2017
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250



RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment created/provision	14,716	14,716

**v. Remuneration to key management personnel**

Name of the key management personnel	As at 31-03-2018	As at 31-03-2017
Sri Ch.Venkaiah Chowdary, I.R.S	921	996

**vi. Interest free loan to related party**

Name of the related party	As at 31-03-2018	As at 31-03-2017
AP state fibernet limited	6,00,000	10,00,000

**44 Deferred tax asset/(liability)**

Particulars	As at 31-03-2018	As at 31-03-2017
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	8,421	4,725
Provision for decommissioning asset	17,405	16,191
Property, plant and equipment	11,123	6,382
Other provisions	52,921	47,207
<b>Total deferred tax asset</b>	<b>89,870</b>	<b>74,505</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,538	5,076
<b>Total deferred tax liability</b>	<b>2,538</b>	<b>5,076</b>
<b>Deferred tax asset/(liability) - net</b>	<b>87,333</b>	<b>69,429</b>

**45.CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs. 70,686).
- b. Amount spent during the year

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Construction/ acquisition of any assets	-	-
Purpose other than above	1,37,247	19,160



#### 46. Treatment demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm ), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
Current/Non-Current liabilities			



Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.70,97,058/- Thousands (Sweep accounts of Rs.70,715 /- and fixed deposits of Rs.70,26,343 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **47. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.M.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a Inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.





In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2022.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores has been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

#### 48. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60





3	Dwaraka Tinumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>

#### 49. Additional Information

##### 49.1 Particulars of consumption of raw material

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	22,230	100.00	33,333	100.00
<b>Total</b>	<b>22,230</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

##### 49.2 Particulars of consumption of stores & spares

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	8,673	100.00	13,296	100.00
<b>Total</b>	<b>8,673</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

#### 50. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> march, 2017, the board of directors of the company in their meeting held on 17<sup>th</sup> Sep, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2018. The reported amounts as on 31<sup>st</sup> march, 2018 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> march, 2017 and subsequent approval at annual general meeting. Necessary adjustments if any will be made in subsequent years.



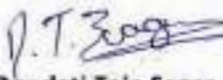
51. During the year, following head of accounts have been restated on account of correction of errors of earlier years.

(Rs.in.Thousands)			
Sl.no	Head of account	Amount	Note no
1	Exploration intangible assets under development & other equity	16,037	3 & 17
2	Other equity & Other financial liabilities	91	17 & 22
3	Other financial liabilities & other expenses	3,691	22 & 34
4	Other current liabilities & other expenses	346	23 & 34
5	Other financial liabilities & employees benefits expense	4	22 & 30
6	Other non-current assets & employees benefits expense	3,175	8 & 30
7	Other non-current assets & other income	(3,175)	8 & 27
8	Total	20,169	-

## 52. General


- Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations and subsequent reconciliations if any.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No 0030325

  
Dondeti Teja Sagar  
Partner  
Mem No.22/878



for and on behalf of the board of directors

  
V.G.Venkata Reddy  
VC&MD  
DIN:08805525

  
D. Ramadevi  
Director  
DIN:08076094

  
A. Nagaraj Reddy  
General Manager-F&A



Place: Vijayawada  
Date:17<sup>th</sup> September, 2022

UDIN:22227878 ASWRF14358



## **INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members of**  
**The Andhra Mineral Development Corporation Limited**

### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of requirements of Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group and its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company as aforesaid.





**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

**Basis for Qualified Opinion**

- i) We draw attention to Note No:- 44 of the consolidated Ind AS financial statements where in the company has stated the reasons for not consolidating the Subsidiaries , Associates and joint ventures as tabulated below. In the absence of audited Ind AS financial statements, management certified accounts for the year ended March 31, 2018 and further reasons as detailed in Note No 44, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated Ind AS financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole Iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SECL suliyari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%



12	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A P Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for qualified Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the amounts transferred by the Company to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by TSMDC. Further, The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. In the absence of information, we are not able to ascertain the impact on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	1B	Other Financial liability(non-current)	38,96,55,505	Cr
2	Int. on PDR's, BGs & Sweep (SBI) to Telangana	1B	Other Financial liability(non-current)	80,04,11,188	Cr
3	APMDC Telangana Region Advance (Cr)	1B	Other Financial liability(non-current)	1,10,80,15,026	Cr
4	APMDC - TSMDC - Advances	8	Other Non-current Assets	21,60,18,311	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	8	Other Non-current Assets	76,91,49,222	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	5,98,62,55,430	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,48,08,809	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	97,26,42,727	Dr



9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,07,15,374	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	16,98,01,235	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	24,38,261	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	5,18,61,836	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	1,30,18,006	Dr
14	Int. on Fixed Deposits	27	Other Income	34,42,72,015	Cr
15	Int. on FD kept for BG	27	Other Income	90,53,788	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	4,39,23,750	Cr
17	Int. on Sweep account SBIkh	27	Other Income	50,18,194	Cr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2018 by the holding company could not be audited by us, as the holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2018 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2018
Adv.to EE Panch.Raj Dep(RUP)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	28,52,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificate and confirmation from the respective party/ statutory authorities, we are unable to ascertain the whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the consolidated Ind AS financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the consolidated Ind AS financial statements.

vi) Inventories consisting of Finished Goods amounting to Rs. 82,50,92,232 and Stores and Spares amounting to Rs. 1,17,47,892 have not been physically verified during the year. Accordingly, their





existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the consolidated Ind AS Financial Statements could not be ascertained.

- vii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Ind AS Financial Statements could not be ascertained.
- viii) The holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, State Cheques Payable, Non-Current Deposits, Special Incentive on net profit payable and Deposit for court Fees payable amounting to Rs. 32.66 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with contractors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated Ind AS financial statements.
- ix) The holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs. 1.32 Crores (Credit), Deposit with Sales Tax Department Rs. 5.90 Crores (Debit), Pre-Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chimakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of Seigniorage fee of Rs. 0.35 crores (Credit), Deposit for court fee payable of Rs. 0.03 Crores (credit), Deposit for stamp duty payable of Rs. 0.10 Crores (Credit) and Service tax payable (Head Office) amounting to 5.24 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the consolidated Ind AS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- x) The holding Company has balances in Tax Assets amounting to Rs. 76.05 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the consolidated Ind AS financial statements.
- xi) The holding company has Trade Receivables balance amounting to Rs. 142.33 Crores. Balance confirmations from Parties under Trade Receivables amounting to Rs 138.42 Crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated Ind AS financial statements.



xii) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C./V	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the dispute between the parties and The company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated Ind AS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group and its associates and jointly controlled entities as at March 31, 2018 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following.

- Note No 35 of the consolidated Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores pertaining to Financial Year 2016-17. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.
- Note No 47 of the consolidated Ind AS financial statements wherein the holding Company has sanctioned an interest free loan to M/s Andhra Pradesh State Fiber Net Limited amounting to Rs. 100 Crores and disbursed an amount of Rs. 60 Crores during the Financial Year 2017-18. However, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule as specified in the loan agreement dated 22<sup>nd</sup> July 2017 has not been followed and no revised loan agreement was agreed upon with the party.





- c) We draw attention to Note no. 53 of the consolidated Ind AS Financial statements wherein it is stated that M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) incurred a net loss of Rs. 2,97,28,093 during the year ended 31<sup>st</sup> March 2018 and as of that date, the joint venture's current liabilities exceeded its current assets by Rs 5,92,69,970. These events or conditions, along with other matters as set forth in Note No. 53, indicate that a material uncertainty exists that may cast significant doubt on the joint venture's ability to continue as a going concern.

Our opinion is not modified in respect of the above matter.

#### Other Matters

1. The consolidated Ind AS financial statements of the holding Company for the year ended March 31, 2017 are not adopted at the adjourned Annual General Meeting held on July 14, 2022 due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017 the Board of Directors of the holding Company in their meeting held on 17<sup>th</sup> September 2022 approved the consolidated Ind AS financial statements for the year ended March 31, 2018. Consequently, we have completed our audit for the year ended March 31, 2018 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2018. The reported amounts as on March 31, 2018 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and subsequent approval at the Annual General Meeting.
2. We did not audit the financial statements/financial information of one Joint Venture. The consolidated Ind AS financial statements include the Group's share of Net Loss of Rs. 21.76 lakhs for the year ended 31<sup>st</sup> March 2018 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books and the reports of other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
- e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the holding Company is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements. Refer Note 37 to the Consolidated Ind AS financial statements.
  - The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in Annexure- B.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

*J.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Vijayawada

Date: 17<sup>th</sup> September 2022

UDIN: 22227878 ASWBTH 8228

#### **Annexure- A to the Independent Auditors' Report**

(Referred to in paragraph 1(i) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2018)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Subject to the matters described in Basis for Qualified Opinion paragraph, we believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the Holding company's internal financial controls over financial reporting.





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

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

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

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

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:-

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of Inventory and Property, Plant and Equipment.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual financial statements will not be prevented or detected on a timely basis.





We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Group as at March 31, 2018 and these material weaknesses has affected our opinion on the consolidated financial statements of the Group and we have issued a Qualified opinion on the financial statements of the Holding Company.



Place: Vijayawada

Date: 17<sup>th</sup> September 2022

UDIN: 22227878ASWQJH 8228

For Sriramamurthy & Co  
Chartered Accountants

FRN 0030325

A handwritten signature in blue ink, appearing to read "D.T. Sagar".

CA. D. TEJA SAGAR  
Partner

Mem No: 227878

**ANNEXURE-B to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds/Possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1,877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record.
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved	According to the information and explanations given to us and on the basis of our examination of the records of the company, There are no cases of waiver/ write off of debts/loans/interest during the financial Year 2017-18.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2017-18.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.</p>





	e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically not verified the inventory and stores and spares in FY 2017-18. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.



11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2017-18.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/MS-KDP/2013 dt 25/05/2016 which is effective for FY 2017-18.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2017-18.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Consolidated Ind AS financial statements.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D. Teja Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No. 227878

Place: Vijayawada  
Date: 17<sup>th</sup> September 2022

UQW: 22227878 ASWBJH 8228

**The Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,17,749	3,94,248
Intangible assets	3	1,760	194
Exploration intangible assets under development	3	29,72,252	29,36,532
Capital work in progress	3	17,877	8,397
Intangible asset under development			1,838
<b>Financial assets</b>			
Investments	4	20,260	24,211
Loans	5	6,05,230	2,998
Other financial assets	6	71,81,201	70,64,845
Deferred tax assets (net)	7	87,332	69,429
Other non-current assets	8	16,48,574	15,31,376
Non-current tax assets (net)	9	7,60,498	7,26,074
<b>Current assets</b>			
Inventories	10	6,36,941	14,52,053
<b>Financial assets</b>			
Trade receivables	11	14,23,386	3,26,167
Cash and cash equivalents	12.1	1,49,694	2,34,508
Other bank balances	12.2	24,14,702	2,93,148
Loans	13	724	10,01,741
Other financial assets	14	2,53,117	2,68,631
Other current assets	15	5,55,152	9,82,345
<b>TOTAL ASSETS</b>		<b>1,93,61,394</b>	<b>1,73,18,231</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	1,52,89,988	1,35,60,745
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	25,66,785	24,47,061
Provisions	19	50,293	46,784
Other non-current liabilities	20	79,232	77,570
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	2,40,681	2,59,181
Other financial liabilities	22	7,29,925	7,96,913
Other current liabilities	23	20,136	15,433
Provisions	24	10,746	24,023
Current tax liabilities (net)	25	3,10,547	27,459
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,93,61,394</b>	<b>1,73,18,231</b>
<b>Notes to financial statements</b>	<b>1-54</b>		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
*P.T. Sagar*  
Dondeti Teja Sagar  
Partner  
Mem No. 227878



For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*A. Ramadevi*  
A. Ramadevi  
Director  
DIN: 08026094

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A



Place : Vijayawada  
Date : 27<sup>th</sup> September, 2022

UDIN: 22227878 ASWQJH 8228



The Andhra Pradesh Mineral Development Corporation Limited			
Consolidated Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2018			
All amounts are in thousands, unless otherwise stated			
Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	26	6,766,707	5,657,965
Other income	27	153,075	711,666
<b>Total (i)</b>		<b>7,319,782</b>	<b>6,369,631</b>
<b>Expenses</b>			
Cost of materials consumed	28	22,731	33,335
Change in inventories of finished goods	29	619,647	(842,145)
Employee benefits expense	30	321,319	257,970
Finance costs	31	29,172	76,447
Depreciation and amortization expense	32	46,864	44,432
Power and fuel		59,656	71,397
Excavation & transport charges	33	2,737,476	3,173,342
Other expenses	34	672,626	601,246
<b>Total (ii)</b>		<b>4,508,991</b>	<b>3,416,627</b>
<b>Profit before exceptional items and tax</b>		<b>2,810,791</b>	<b>2,953,004</b>
Add : Exceptional items (Net)	35	-	2,185,661
<b>Profit before tax</b>		<b>2,810,791</b>	<b>5,138,665</b>
Share of loss of joint venture		(2,199)	(3,302)
<b>Less : Tax expense/(benefit)</b>			
Earlier years		-	4,976
Current tax		1,090,085	1,237,965
Deferred tax		(12,990)	774,236
<b>Total tax expense/(benefit)</b>		<b>1,077,095</b>	<b>1,967,177</b>
<b>Profit from continuing operations</b>		<b>1,733,696</b>	<b>3,168,200</b>
Profit/(loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the year (A)</b>		<b>1,733,696</b>	<b>3,168,200</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(5,417)	(2,242)
Items that will not be reclassified to profit or loss of JV		23	-
Income tax on above items		4,914	(1,468)
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(490)</b>	<b>(3,710)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,733,206</b>	<b>3,164,490</b>
<b>Earnings per equity share (in Rs.)</b>			
(Nominal value of share Rs.1000 /-)			
- Before exceptional item		27,484.32	27,621.13
- After exceptional item		27,484.32	50,285.33
<b>Basic and diluted</b>			
Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

P.T. Sagar  
Partner  
Mem No.227878



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

A. Ramadevi  
Director  
DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A



Place : Vijayawada  
Date : 17<sup>th</sup> September, 2022

UDIN: 22227878 ASWQTH8228

**The Andhra Pradesh Mineral Development Corporation Limited**

**Statement of Changes in equity for the year ended 31-03-2018**

**A. Equity share capital**

Particulars	No. of shares	Amount (Rs. in '000's)
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 31 <sup>st</sup> March, 2018	63,062	63,062

**B. Other Equity**

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actual gain/loss on OCI items	Deferred tax on OCI items	
<b>Balance at the beginning of reporting period - 31-03-2016</b>	22,006	8,080	1,774,670	8,671,966	(5,467)	942	(1,076)	10,416,424
Profit for the year	-	-	-	3,166,200	-	-	-	3,166,200
Transfer to other comprehensive income for the year	-	-	-	(10,169)	-	-	-	(10,169)
Other comprehensive income for the year	-	-	-	3,146,031	-	-	-	3,146,031
Total comprehensive income for the year	-	-	-	3,135,862	-	-	-	3,135,862
Transfer to reserve for bad and doubtful debts	-	13,692	-	(10,692)	-	-	-	-
Transfer to other comprehensive income reserve	-	-	-	(6,802)	-	-	-	-
Balance at the beginning of reporting period - 31-03-2017	22,006	18,699	1,774,670	11,782,696	(5,467)	4,981	(1,076)	13,560,529
Transfer to reserve for bad and doubtful debts	-	-	-	-	-	-	-	-
Transfer to other comprehensive income reserve	-	-	-	-	-	-	-	-
Balance at the end of reporting period - 31-03-2018	22,006	18,699	1,774,670	11,782,696	(5,467)	4,981	(1,076)	13,560,529

As per our report of even date

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325



U.V. Venkata Reddy  
V.C. & M.D.  
CIN: 08405525

D. Ramakrishna  
Director  
CIN: UED75094

Dividends Teja Sagar  
Barter  
Mem No 277378

Alagaprasad Reddy  
General Manager - F&A



Place : Vijayawada  
Date : 31<sup>st</sup> September, 2022

UDIN: 22227878 ASW0414 8228

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Cash flow statement for the year ended 31<sup>st</sup> March, 2018**  
 All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operations	2,898,597	5,135,577
Adjustments for:		
Interest expense	29,172	76,447
Interest income	(547,641)	(636,004)
Depreciation/amortization on continuing operations	46,864	44,432
Bad & doubtful debts	16,250	41,922
Bad & doubtful advances	3,424	4,503
Assets written off	-	45
Provision for diminution in value of investments	-	10
Measurement of defined benefit plans	(5,417)	(2,242)
Provision no longer require written back	2	9,546
<b>Operating profit before working capital changes</b>	<b>2,351,236</b>	<b>4,674,036</b>
Adjustments for working capital:		
Increase/(decrease) in trade payables	(18,500)	171,263
Increase/(decrease) in provisions	273,319	(2,173,654)
Increase/(decrease) in other financial liabilities	52,737	1,586,981
Increase/(decrease) in other liabilities	6,366	(166,950)
Decrease/(increase) in trade receivables	(1,113,479)	(228,475)
Decrease/(increase) in inventories	615,112	(840,535)
Decrease/(increase) in other assets	308,999	289,491
Decrease/(increase) in other financial assets	(100,841)	(698,243)
<b>Cash generated from operations</b>	<b>2,374,969</b>	<b>2,613,911</b>
Direct taxes paid (net of refunds)	1,124,509	1,242,962
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,250,460</b>	<b>1,370,948</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant, equipment, including intangible assets under development	(130,473)	(1,730,839)
Bank deposits	(2,111,553)	864,542
Loans repaid / Given to related parties	398,234	(982,625)
Interest received	547,641	636,004
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,306,101)</b>	<b>(1,212,916)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(29,172)	(76,447)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(29,172)</b>	<b>(76,447)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(84,814)</b>	<b>81,585</b>
Cash and cash equivalents at the beginning of the year	234,508	152,923
<b>Cash and cash equivalents at the end of the year</b>	<b>149,694</b>	<b>234,508</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	135	89
Bank accounts	149,559	234,420
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>149,694</b>	<b>234,508</b>

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as setout in M0 As - /

As per our report of even date

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*P.T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No 227878



For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 QM, QM00515

*D. Ramani*  
 D. Ramani  
 Director  
 DIN: 03075094

*A. Nagaraj Reddy*  
 General Manager - F&A



Place: Vijayawada

Date: 17<sup>th</sup> September, 2022

UDIN: 22227878 ASWATH 8228



## Notes to the Consolidated Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant Accounting Policies

#### a. Statement of Compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The Consolidated Financial Statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions resulting in un-realised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- IV. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**c. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.





All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Group's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.



At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.





**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of Inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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



#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply



when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.





Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment



**r. Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.



**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial Instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets – Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.





**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.



#### **iii. De-recognition of financial liabilities**

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods, and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

#### **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



The Andhra Pradesh Mineral Development Corporation Limited									
Property, Plant and Equipment, CNIP, intangible assets, intangible assets under development for the year ended 31-03-2018									
Particulars	Gross Mode			Depreciation			Net Mode		
	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation for the year	Disposals / Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2017
Free hold land	2,27,987	-	-	2,27,987	-	-	-	-	2,27,987
Buildings	31,042	11,903	1,781	41,162	7,164	5,032	1,781	11,235	29,927
Plant and machinery	1,11,887	31,128	-	1,43,015	29,739	17,299	-	47,038	95,987
Furniture & fixtures	3,276	9,160	-	12,436	1,426	1,191	-	2,617	9,819
Vehicles	9,441	-	-	9,441	4,432	1,632	-	6,064	3,377
Office equipment	6,123	13,540	-	19,663	3,436	3,998	-	7,434	12,229
Mining and equipment	66,036	35	-	66,071	23,852	9,814	-	33,706	32,365
Data processing equipment	11,812	2,128	-	13,940	7,518	3,023	-	10,961	2,979
Tent & huts	2,924	-	-	2,924	1,275	1,093	-	2,249	685
Lease hold improvements	3,330	2,484	-	5,814	3,230	1,945	-	5,175	19,919
Mining property	2,976	-	-	1,376	1,2	89	-	191	1,785
Total	4,75,114	83,756	1,781	5,60,189	81,389	48,566	1,781	1,25,640	4,37,749
Intangible Assets									
Particulars	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation for the year	Disposals / Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2017
Computer software	954	2,227	-	3,181	760	661	-	1,421	1,760
Total	954	2,227	-	3,181	760	661	-	1,421	1,760
Expenditure on intangible assets under development	29,52,569	25,780	16,057	29,74,252	-	-	-	-	29,74,252
Intangible Asset under development	1,838	-	1,838	-	-	-	-	-	1,838
Capital work in progress	8,392	12,822	8,392	12,822	-	-	-	-	12,822
									8,392





**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
**All amounts are in thousands, unless otherwise stated**

4	Non-current investments	As at	As at
		March 31, 2018	March 31, 2017
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APNOC - SCCL Saltpan Co. Company Limited		
	5,100 shares allotted of Rs.10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Shungum Coal Company Limited		
	3,000 equity shares of Rs. 100/- each fully paid up	3,057	3,057
	Less: Provision made for diminution in the value of shares	(3,057)	(3,057)
	iii. M/s. Ongole iron ore mining company private limited		
	56,100 equity shares Rs.10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited		
	1,110 equity shares of Rs.1000/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in associates		
	v. M/s. Aswara mineral development private limited		
	65,000 equity shares of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Andhra minerals exports private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Sura minerals exports private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalore granites private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ungali Minerals exports private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RUP granites private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A.P. Coastal sands & minerals private limited		
	13,000 equity shares of Rs.10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh tribal mining private limited		
	28,600 equity shares of Rs.10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)
	Investment in Joint Ventures		
	xiv. M/s. A.P. granites (Southwest) private limited		
	11,00,000 equity shares of Rs.10/- each fully paid up	10,793	10,410
	xv. M/s. Alliance A.P. Black gallery granites private limited		
	11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000
	Less: Provision made for diminution in the value of shares	(11,000)	(11,000)



iv. M/s. Zilla red granite private limited 11,00,000 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	1,774 -
v. M/s. Gumpu AP barytes beneficiation private limited 1,320 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
vi. M/s. Andhra baryta conglomerate private limited 8,52,500 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
vii. M/s. Andhra Pradesh Iron ore company limited 6,850 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	68 (68)	58 (68)
viii. M/s. Thimex Baryta private limited 4,50,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
ix. M/s. V. V. non-calc private limited 1,100 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
Investments measured at amortised cost Investment in Government Securities (unquoted) Less: Provision made for doubtful investment	7,138 (7,092)	7,138 (7,092)
	20,260	24,211
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	20,260	24,211
Aggregate provision for diminution in value of investments	40,497	49,387
Aggregate Provision made for doubtful investments	7,404	7,404

3	Loans (Non-current)	As at March 31, 2018	As at March 31, 2017
	Security deposits Unsecured, considered doubtful Less: Provision for doubtful debts	9,291 (9,192)	9,214 (9,173)
	Loans to corporate Loan to AP state fiber net limited - Refer Note 46		
	Unsecured, considered good	600,300	-
	Vehicle loans to staff		
	Unsecured, considered good	4,135	2,041
	Other loans to staff		
	Unsecured, considered good	995	934
	Unsecured, considered doubtful	68	40
	Less: Provision for doubtful items	(68)	(10)
	<b>Total</b>	<b>605,230</b>	<b>2,985</b>

4	Other Financial Assets (Non-Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good - Refer note 47		
	Balance in current accounts	6,779	6,779
	Long term bank deposits	7,101,707	6,991,778
	Savings accounts	70,715	66,742
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(3,936)
	<b>Total</b>	<b>7,182,201</b>	<b>7,061,335</b>



Deferred tax assets (Net)		As at March 31, 2018	As at March 31, 2017
Deferred tax asset			
Property, plant & equipment		11,828	6,987
Effect of expenditure charged to the statement of profit and loss in the current year but allowed for the purpose of payment basis		8,428	4,724
Provision for decommissioning costs		17,405	16,191
Provision for bad & doubtful debts, investments & advances		52,921	47,207
Gross Deferred tax asset		89,582	75,109
Deferred tax liability			
Investment		(2,538)	(5,076)
Gross deferred tax liability		(2,538)	(5,076)
Deferred tax asset - net		87,044	69,429

Other non-current assets		As at March 31, 2018	As at March 31, 2017
A) Capital advances			
Unsecured, considered good		239,387	239,616
Unsecured, considered doubtful		26,023	26,000
Provision for doubtful advances		(26,023)	(26,000)
		239,387	239,616
B) Advances other than capital advances			
Unsecured, considered good		1,014,271	904,805
Unsecured, considered doubtful		24,871	22,160
Less: Provision for doubtful advances		(24,871)	(22,160)
		1,014,271	904,805
C) Others - Specified			
Unsecured, considered good		394,916	386,956
Unsecured, considered doubtful		10,164	8,652
Less: Provision for doubtful advances		(10,164)	(8,652)
		394,916	386,956
Total		1,648,574	1,531,376

Non current tax assets (Net)		As at March 31, 2018	As at March 31, 2017
Advance tax			
Corporate tax receivable		760,498	726,058
Tax collection on account		-	71
Total		760,498	726,079

Inventories		As at March 31, 2018	As at March 31, 2017
Finished Goods			
Less: Provision made		875,992	1,445,639
		(159)	(799)
Stores and spares		11,743	7,213
Total		875,941	1,432,053



11	Trade receivables (Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good	1,423,356	326,167
	Unsecured, considered doubtful	58,564	46,280
	Less: Provision for doubtful trade receivables	(38,554)	(46,280)
	Total	1,422,366	326,167
	Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
12.1	Cash and cash equivalents		
	Balance with banks in current accounts	149,559	234,420
	Cash on hand	155	85
	(A)	149,694	234,506
12.2	Other bank balances		
	in sweep accounts	1,414,792	293,146
	Fixed deposits with maturity > 3 months but < 12 months	1,000,000	-
	(B)	2,414,792	293,146
	Total	2,564,396	527,652
13	Loans (current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good		
	Vehicle loans to staff	350	497
	Short term loan to AP State Fisheries Limited - Road Motor - 48	-	1,000,000
	Other loans to staff	374	344
	Total	724	1,000,841
14	Other financial assets (Current)	As at March 31, 2018	As at March 31, 2017
	Deposit with others	57	54
	Secured, considered good		
	Advances receivable in cash		
	Unsecured, considered good	618	263
	Interest accrued on deposits	257,054	174,253
	Less: Provision made	(61,665)	(4,339)
	Total	253,117	268,631
15	Other current assets	As at March 31, 2018	As at March 31, 2017
	A) Advances receivable		
	Unsecured, considered good	63,844	63,174
	Doubtful	-	-
	Less: Provision for doubtful loans	-	-
	(B) Others - Specified		
	Balance with statutory authorities	450,491	395,447
	Prepaid expenses	40,817	25,724
	Total	491,300	519,171
	Total	555,152	987,345



16	Share capital	As at March 31, 2018	As at March 31, 2017
	Authorized share capital		
	1,00,000 equity shares of Rs. 1000/- each	100,000	100,000
	(Previous year: 1,00,000 equity shares of Rs. 1000/- each)		
		100,000	100,000
	Issued, subscribed and fully paid up share Capital:		
	63,062 equity shares of Rs. 1000/- each fully paid up in cash	63,062	63,062
	(Previous year: 63,062 equity shares of Rs. 1000/- each)	63,062	63,062
<b>16.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2018	As at March 31, 2017
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
16.2 The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholder.			
16.3 The details of shares in the Company held by each shareholder holding more than 5% shares			
	Name of the share holder	As at March 31, 2018	As at March 31, 2017
	Governor of the Andhra Pradesh- represented by Assistant Secretary to Government (Mineral Development & Commerce department)	63,059 (100%)	63,059 (100%)
17	Other equity	As at March 31, 2018	As at March 31, 2017
<b>Capital Reserve</b>			
From fully equity shares for consideration other than cash received by			
<b>i. M/s. Aswani mineral development private limited</b>			
65,000 equity shares of Rs.10/- each fully paid up		650	650
Less: Provision made for diminution in the value of shares		(650)	(650)
<b>ii M/s. SRAP mineral private limited</b>			
3,25,000 equity shares of Rs. 10/- each fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)
<b>iii. Arkham minerals exports private limited</b>			
1,30,000 equity shares of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
<b>iv. Baa minerals exports private limited</b>			
1,30,000 equity shares of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
<b>v. Mitigastee granite private limited</b>			
1,30,000 equity shares of Rs.10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
<b>vi. Ongola minerals exports private limited</b>			
3,25,000 equity shares of Rs. 10/- each fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)



vi. R.P. granites private limited 3,25,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vii. M/s A.P. granites (india) private limited 11,00,000 equity shares of Rs 10/- each fully paid up	11,000	11,000
viii. M/s Alliance R.P. Black granite granites private limited 11,00,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
ix. M/s Pallavaram granites private limited 1,10,000 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000
x. M/s A. P. coast lands & estates private limited, 13,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
xi. M/s Ongole iron ore mining company private limited 56,100 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)
xii. M/s. Gempex AP barytes participation private limited 1,320 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xiii. M/s. Andhra barytes corporation private limited 8,52,500 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xiv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
xv. M/s. Transbarite private limited 4,50,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xvi. M/s V. V. minerals private limited 1,107 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Equity Instruments through IFCI</b>	<b>11,000</b>	<b>22,808</b>
Opening Balance	17,482	(10,191)
Other comprehensive income for the year	442	(3,710)
Add/(Less)- Transferred from/(to) retained earnings	7,962	6,420
Closing balance	-	(7,482)
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	18,689	8,000
Add/(Less)- Transferred from/to profit and loss account	62,871	10,690
Closing balance	81,560	18,689
<b>General Reserve</b>		
Balance as per the last financial statements	1,724,670	1,724,670
Closing balance	1,724,670	1,724,670





Surplus/(Deficit) in the statement of profit and loss balance as per the last financial statements		11,802,868	8,651,777
Less: Elimination of joint venture loss		9,226	-
Profit for the year		1,731,497	3,168,200
Less: Appropriations		11,941,991	11,811,977
Transferred from/to other comprehensive income		7,962	6,419
Reserve for bad and doubtful debts		67,371	10,691
Total appropriations		70,483	17,110
Net surplus or deficit of profit after loss		13,472,718	11,802,868
Total reserves and surplus taken to transfer sheet		15,289,986	13,546,745

18	Other financial liabilities (Non-current)	As at March 31, 2018	As at March 31, 2017
	Expenses payable against infrastructure development	70,310	68,500
	Deposits	17,780	10,490
	Others - refer note, #5	2,479,155	2,369,071
	Total	7,566,785	7,447,061

19	Provisions (Non-current)	As at March 31, 2018	As at March 31, 2017
	Provision for Others	-	-
	Provision for decommissioning cost	50,293	66,734
	Total	50,293	66,734

20	Other Non-current liabilities	As at March 31, 2018	As at March 31, 2017
	Statutory liabilities	79,232	77,570
	Total	79,232	77,570

21	Trade payables (Current)	As at March 31, 2018	As at March 31, 2017
	Trade payables	-	-
	Dues of micro-enterprises and small enterprises	-	-
	Dues of creditors other than micro enterprises and small enterprises	240,631	259,181
	Total	240,631	259,181

Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below

Particulars	As at March 31, 2018	As at March 31, 2017
a) Principal amount and interest due thereon	-	-
b) Interest paid in terms of section 16 of MSME Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSME Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSME Act, 2006	-	-

Outs to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.



22	Other financial liabilities (Current)	As at March 31, 2018	As at March 31, 2017
	Salaries & other benefits payable	23,288	23,357
	Securities deposits from customers	263,272	283,678
	Other payables	442,665	489,878
	<b>Total</b>	<b>729,225</b>	<b>796,913</b>
23	Other financial liabilities	As at March 31, 2018	As at March 31, 2017
	Statutory liabilities	20,136	15,433
	<b>Total</b>	<b>20,136</b>	<b>15,433</b>
24	Provisions (Current)	As at March 31, 2018	As at March 31, 2017
	Provision for employee benefits:		
	Provision for gratuity	8,140	9,718
	Provision for leave benefits	1,606	14,308
	<b>Total</b>	<b>9,746</b>	<b>24,026</b>
25	Current tax liabilities	As at March 31, 2018	As at March 31, 2017
	Provision for income tax	310,547	27,459
	<b>Total</b>	<b>310,547</b>	<b>27,459</b>



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2018  
 All amounts are in thousands, unless otherwise stated

26	Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Sale of products	7,457,841	6,254,841
	Loss: Statutory levies	849,536	794,309
	Net sales	6,608,415	5,460,532
	Sale of services	258,222	197,837
	<b>Total</b>	<b>6,766,707</b>	<b>5,657,969</b>
27	Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest income		
	Bank deposits	461,456	635,017
	Loans	232	218
	Others	85,924	18,087
	Other (miscellaneous) income	1,146	13,295
	Rent receipts	709	654
	Forfeiture of security deposit	2,458	462
	Penalty on buyers/millers	35	28,679
	Sale of tender documents	996	899
	Sale of scrap	57	36
	Freight & insurance on dispatches	-	876
	Dividend from M/s.A.P. Geomix (midwest) Private Limited	-	4,400
	Excess provision written back	2	9,546
	<b>Total</b>	<b>553,079</b>	<b>711,660</b>
28	Cost of materials consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
	Consumption of packing materials	22,231	33,333
	<b>Total</b>	<b>22,231</b>	<b>33,333</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2018	For the year ended March 31, 2017
	a) Opening stock of finished goods	1,445,839	603,494
	b) Closing stock of Finished Goods	825,992	1,445,639
	<b>Changes in inventories of finished goods</b>	<b>619,647</b>	<b>(842,145)</b>



30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Salaries and wages	189,561	192,498
	Employer's contribution to PF and other funds	100,155	76,798
	Staff welfare and other expenses	22,603	38,673
	<b>Total</b>	<b>321,319</b>	<b>257,970</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Interest on advance from customers	-	73,153
	Unwinding of discounting of provision for decommissioning	3,509	3,264
	Other interest	25,653	-
	<b>Total</b>	<b>29,172</b>	<b>76,417</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Depreciation of tangible assets	40,203	44,206
	Amortization of intangible assets	661	216
	<b>Total</b>	<b>40,864</b>	<b>44,422</b>
33	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Excavation & transport charges for ROHM	213,813	401,145
	Excavation & transport charges for overburden	2,523,663	2,772,197
	<b>Total</b>	<b>2,737,476</b>	<b>3,173,342</b>
34	<b>Other expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Rents	13,905	10,390
	Repairs & maintenance	8,673	13,296
	Insurance	1,047	867
	Rates and taxes	473	21,999
	Other expenses	-	-
	Operating expenses	104,323	163,375
	Royalty & other levies	15,706	7,165
	Selling expenses	26,031	74,007
	Prospecting & mining lease expenses	20,710	16,159
	Office & general expenses	62,347	74,309
	Audit fee for statutory auditors	500	500
	Audit fee for other auditors	436	506
	Expenses to auditors	45	129
	Printing & stationery	2,475	3,147
	Postage, telegrams & telephones	5,631	4,987
	Corporate social responsibility expenses	137,287	19,160
	Remuneration to cell source services	206,904	133,883
	Bad & doubtful debts (Provision)	16,260	41,912
	Bad & doubtful advances (Provision)	3,424	-
	Bad & doubtful investments (Provision)	-	4,502
	Provision for non moving stock	-	799
	Fixed assets written off	-	45
	Data processing charges	2,477	3,241
	Loss in transit	-	2,548
	Rehabilitation expenses	4,032	4,470
	<b>Total</b>	<b>672,526</b>	<b>601,246</b>



Payment to Auditors		For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory audit fee		500	500
<b>Total</b>		<b>500</b>	<b>500</b>
<b>35</b>			
Exceptional items (net)		For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for stripping adjustment no longer required			2,185,664
<b>Total</b>		<b>-</b>	<b>2,185,664</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to P&L		For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement of Defined Benefit Plan Loss/Gain			
Gratuity		(6,864)	(1,489)
Leave encashment		1,447	(3,462)
Gratuity plan asset OCI		-	2,439
Leave encashment plan asset OCI		-	210
Deferred tax on above items		4,914	(3,468)
<b>Total</b>		<b>(503)</b>	<b>(3,710)</b>
<b>36. Income Tax</b>			
The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are:			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>Profit and loss section</b>			
Current tax:			
Current income tax charge	1,090,085	1,287,965	
Tax relating to earlier years/(credits)	-	4,976	
<b>Total (a)</b>	<b>1,090,085</b>	<b>1,292,941</b>	
<b>Deferred tax:</b>			
In respect of current year origination and reversal of temporary differences	(12,990)	724,236	
<b>Total (b)</b>	<b>(12,990)</b>	<b>724,236</b>	
<b>OCI section</b>			
Deferred tax related to items recognised in OCI during the year	4,914	(1,468)	
<b>Total (c)</b>	<b>4,914</b>	<b>(1,468)</b>	
<b>Total</b>	<b>1,082,009</b>	<b>1,965,709</b>	
The income tax expense for the year can be reconciled to the accounting profit as follows:			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
Profit/(loss) before tax as per statement of profit and loss	2,810,791	5,138,679	
Income tax using the company domestic tax rate @34.608% (previous year rate @ 34.608%)	972,759	1,778,394	
(a) Difference of -			
i) Deferred tax asset not created on temporary differences/unabsorbed depreciation	(12,990)	724,236	
ii) Adjustment due to expenses not considered under I.T Act	127,326	(500,479)	
iv) Tax relating to earlier years		4,976	
<b>Total income tax recognised in statement of P &amp; L</b>	<b>1,077,095</b>	<b>1,967,177</b>	



**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2018	As at 31.03.2017
A	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities	4,34,315	4,34,315
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patla land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No 237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>36,97,005 6,76,670</p>	<p>31,31,209 5,65,796</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



C	Capital commitments in respect of unexecuted contracts.	15,128	-
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998 1999 to 2017-2018, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMD C</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15	Penalty	4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



### 38. Classification of financial instrument

A. Classification of financial liabilities and financial assets are classified in accordance with the accounting policies.

As at 31st March, 2018

As at 31st March, 2020						
Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments at amortised cost</b>						
Non-current investments	4	-	-	20,260	-	11,027
<b>Financial assets not measured at fair value</b>						
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12.1	-	-	1,49,694	-	1,49,694
Bank balances other than above	12.2	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Fixed deposits	6	-	-	71,03,707	-	71,03,707
Advances to staff	14	-	-	621	-	621
Interest receivable	14	-	-	2,42,559	-	2,42,559
<b>Total</b>		-	-	<b>1,20,29,144</b>	-	<b>1,20,29,144</b>
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	29,22,050	29,22,050
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>35,37,392</b>	<b>35,37,392</b>



As at 31st March, 2017

As at 31st March, 2017

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments at amortised cost						
Non current investments	4	-	-	24,211	-	22,027
Financial assets not measured at fair value						
Loans	5 & 13	-	-	10,04,238	-	10,04,238
Trade receivables	11	-	-	3,26,167	-	3,26,167
Cash and Cash equivalents	12.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	12.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	6	-	-	73,567	-	73,567
Fixed Deposits	6	-	-	69,91,332	-	69,91,332
Advances to staff	14	-	-	263	-	263
Interest receivable	14	-	-	2,68,314	-	2,68,314
Total		-	-	92,13,565	-	92,13,565
Financial liabilities not measured at fair value						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,59,181	2,59,181
Other financial liabilities		-	-	-	-	-
Relating to Employees	22	-	-	-	23,357	23,357
Expenses payable against Infrastructure Development	18	-	-	-	68,500	68,500
Others	18 & 22	-	-	-	28,57,949	28,57,949
Deposits	18 & 22	-	-	-	2,94,168	2,94,168
Interest Payable	20 & 24	-	-	-	-	-
Total		-	-	-	35,03,155	35,03,155



### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2017-18	2016-17
Ageing	>12 Months	>12 Months
Gross carrying amount	14,23,386	3,26,167
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	14,23,386	3,26,167
Carrying amount of trade receivables (net of impairment)	-	-

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Barytes	3,38,335	(3,38,335)	2,82,898	(2,82,898)

###### b. Packing material price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(1,112)	1,112	(1,667)	1,667



#### c. Excavation & Transport Charges risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for ROM	(10,691)	10,691	(20,057)	20,057
Excavation & Transport Charges for Overburden	(1,26,183)	1,26,183	(1,38,610)	1,38,610

#### 40. Management of Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

##### As at 31st March 2018

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	32,96,710	7,29,925	25,66,785	-
<b>Total</b>	<b>35,37,391</b>	<b>9,70,606</b>	<b>25,66,785</b>	<b>-</b>

##### As at 31st March 2017

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	32,40,187	7,93,126	24,47,061	-
<b>Total</b>	<b>34,99,369</b>	<b>10,52,308</b>	<b>24,47,061</b>	<b>-</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2018	As at 31-03-2017
Employers contribution to provident fund	8,462	6,817
Employers contribution to pension fund	5,328	4,641





## B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March 2017

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	47,111	52,490	45,475	47,022
Service cost	2,253	1,446	4,006	3,464
Interest expenses	3,657	3,718	3,619	3,291
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(2,775)	(12,032)	(454)	(11,764)
Remeasurements - actuarial (gains)/losses	6,865	1,489	(1,486)	3,462
<b>Benefit obligations at the end</b>	<b>57,113</b>	<b>47,111</b>	<b>51,160</b>	<b>45,475</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	37,394	34,294	31,169	28,726
Interest income	(3,353)	(74)	(3,072)	4,996
Employer contributions	11,808	12,707	14,924	9,001
Benefits payments from plan assets	(2,776)	(12,032)	(455)	(11,764)
Actuarial gain / (loss) on plan assets	1	2,499	(39)	210
<b>Benefit obligations at the end</b>	<b>48,973</b>	<b>37,394</b>	<b>48,555</b>	<b>31,169</b>



ii. Amount recognized in the Balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
PV of obligations at the end of the year	51,160	45,475	57,113	47,112
Fair value of plan assets at the end of the year	48,555	31,170	48,973	37,394
Liability (+)/Asset (-) recognised in the balance sheet	2,605	14,305	8,140	9,718

iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Service cost	2,253	1,446	4,006	3,464
Interest expenses	304	3,792	547	(1,705)
Net expense recognised	2,557	5,238	4,553	1,759

iv. Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Actuarial (gain)/losses on obligations for the period	6,865	1,010	(1,487)	3,462
Actuarial (gain)/losses on plan assets for the period	(1)	(2,499)	(39)	(210)
Net expense recognised	6,864	(1,010)	(1,448)	3,252

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Rate of discounting	7.62%	8.00%	7.62%	8.00%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%



v. Summary of Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.69	12.00	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Expected Cash flow in year 1	25,041	11,128	22,279	12,310
Expected Cash flow in year 2	3,368	12,958	7,114	13,088
Expected Cash flow in year 3	3,649	2,642	5,901	5,590
Expected Cash flow in year 4	5,642	3,269	5,855	4,670
Expected Cash flow in year 5	5,240	5,081	4,713	4,619
Expected Cash flow in year 6	6,159	4,401	4,557	3,697
Expected Cash flow in year 7	2,942	4,397	2,535	3,575
Expected Cash flow in year 8	3,322	2,578	2,479	1,893
Expected Cash flow in year 9	3,764	2,661	2,417	1,884
Expected Cash flow in year 10	1,231	3,123	1,111	1,858

vii. Significant estimates: Sensitivity analysis

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

Effect on Gratuity valuation

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	57,113	47,112	0.00%	0.00%
Salary Escalation - Up by 1%	59,727	48,701	4.60%	3.40%
Salary Escalation - Down by 1%	54,716	45,418	-4.20%	-3.60%
Withdrawal Rates - Up by 1%	57,550	47,593	0.80%	1.00%
Withdrawal Rates - Down by 1%	56,633	46,586	-0.80%	-1.10%
Discount Rates - Up by 1%	55,131	45,275	-3.50%	-3.90%
Discount Rates - Down by 1%	59,315	49,144	3.90%	4.30%



**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	51,160	45,475	0.00%	0.00%
Salary Escalation - Up by 1%	52,891	47,091	3.40%	3.60%
Salary Escalation - Down by 1%	49,520	43,942	-3.20%	-3.40%
Withdrawal Rates - Up by 1%	51,333	45,683	0.30%	0.50%
Withdrawal Rates - Down by 1%	50,977	45,256	-0.40%	-0.50%
Discount Rates - Up by 1%	49,934	44,286	-2.40%	-2.60%
Discount Rates - Down by 1%	52,481	46,751	2.60%	2.80%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2018	As at 31-03-2017
Profit after tax before exceptional items	17,31,017	17,38,950
Add: exceptional items	-	14,29,249
Profit after tax after exceptional items	17,31,017	31,68,200
Profit available for Equity Shareholders	17,31,017	31,68,200
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (in Rupees) - before exceptional item	27,484.32	27,621.13
Basic and diluted Earnings Per Share (in Rupees) - after exceptional item	27,484.32	50,285.33



**43. Related Party Transactions****A. List of related parties****(% of holding)**

Name of the related party	As at 31-03-2018	As at 31-03-2017
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswan mineral development private limited	26.00%	26.00%
Ariham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personnel:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R.S	Vice-Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	Fellow Government company

**B. Related party transactions****1. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income (Dividend)
Andhra Pradesh granite (Midwest) private limited	1,17,283	-
Pallava red granite private limited	32,520	-





**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2018	As at 31-03-2017
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,30,914
Pallava red granite private limited	35,628	46,946
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	1,721	1,721

**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2018	As at 31-03-2017
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	12,056

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2018	As at 31-03-2017
Ongole Iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCL Suliyarl coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679

Investment in joint ventures	As at 31-03-2018	As at 31-03-2017
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	24,217

Investment in associates	As at 31-03-2018	As at 31-03-2017
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Maigasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250





RIP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2018	As at 31-03-2017
Sri Ch.Venkiah Chowdary, I.R.S	921	998

**vi. Interest free loan to related party**

Name of the related party	As at 31-03-2018	As at 31-03-2017
AP state fibernet limited	6,00,000	10,00,000

**44. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor
Andhra phosphate private limited	The company lease rights was expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.



Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh Iron ore company limited	The company has not commenced the operations and non-operative.
Glimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.



Pallava red granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.
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#### 45. Deferred tax asset /(liability)

Particulars	As at 31-03-2018	As at 31-03-2017
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	8,421	4,725
Provision for decommissioning asset	17,405	16,191
Property, plant and equipment	11,123	6,382
Other provisions	52,921	47,207
<b>Total deferred tax asset</b>	<b>89,870</b>	<b>74,505</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,538	5,076
<b>Total deferred tax liability</b>	<b>2,538</b>	<b>5,076</b>
<b>Deferred tax asset /(Liability) - net</b>	<b>87,333</b>	<b>69,429</b>

#### 46. CSR Expenditure

- Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs.70,686).
- Amount spent during the year

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Construction/ acquisition of any assets	-	-
Purpose other than above	1,37,247	19,160

#### 47. Treatment demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDCL as on 01.06.2014 between APMDCL and TSMDC was prepared.



- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
Current/Non-Current liabilities			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
Total	1,36,05,641	79,34,810	56,70,831





Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,399	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.70,97,058/- Thousands (Sweep accounts of Rs.70,715 /- and fixed deposits of Rs.70,26,343 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an Interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017-AS, II - Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2022.



Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs 100.00 crores, an amount of Rs.60.00 crores has been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

#### 49. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapathnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>





**50. Additional Information****50.1 Particulars of consumption of raw material****(Rs.in.Thousands)**

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	22,230	100.00	33,333	100.00
<b>Total</b>	<b>22,230</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

**50.2 Particulars of consumption of stores & spares****(Rs.in.Thousands)**

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	8,673	100.00	13,296	100.00
<b>Total</b>	<b>8,673</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

**51. Non adoption of previous year financials at the general meeting by the Members**

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> march, 2017, the board of directors of the company in their meeting held on 17<sup>th</sup> Sep, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2018. The reported amounts as on 31<sup>st</sup> march, 2018 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> march, 2017 and subsequent approval at annual general meeting. Necessary adjustments if any will be made in subsequent years.

52. During the year, following head of accounts have been restated on account of correction of errors of earlier years.

**(Rs.in.Thousands)**

Sl.no	Head of account	Amount	Note no
1	Exploration intangible assets under development & other equity	16,037	3 & 17
2	Other equity & Other financial liabilities	91	17 & 22
3	Other financial liabilities & other expenses	3,691	22 & 34
4	Other current liabilities & other expenses	346	23 & 34



5	Other financial liabilities & employees benefits expense	4	22 & 30
6	Other non-current assets & employees benefits expense	3,175	8 & 30
7	Other non-current assets & other income	(3,175)	8 & 27
B	<b>Total</b>	<b>20,169</b>	<b>-</b>

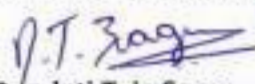
### 53. Andhra Pradesh Granite (Midwest) Private Limited

The joint venture company operations were affected during previous year due to failure in approved quantity laid down in environmental clearance ("EC"). During the year the company incurred loss of Rs 29,728/- (thousands) and its current liabilities exceeded its current assets by Rs.59,270/- (thousands). The company stopped production in May, 2018 and the company made full and final settlement to employees in the month of Jun, 2018. The company is likely to be liable for penalties for excess production. However, the accounts of the company for the year ended 31<sup>st</sup> March, 2018 have been prepared on Going Concern basis. The joint venture company is confident of obtaining approvals from concerned authorities for enhanced production and is likely to resume operations shortly. The auditor of the joint venture had drawn an emphasis of matter relating to "Material Uncertainty relating to Going Concern" in their Audit Report for the year in this regard.

### 54. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations and subsequent reconciliations if any.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).


For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325


  
Dondeti Teja Sagar  
Partner  
Mem No.227878



for and on behalf of the board of directors

  
V.G. Venkata Reddy  
VC&MD  
DIN:08805525

  
D. Rama Devi  
Director  
DIN:08076094

  
A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: 17<sup>th</sup> September, 2022

UDIN: 22227878 ASW QTH 8228



STATEMENT OF FINANCIAL RESULTS FROM 2008-09 TO 2017-18						Rupees in Lakhs				
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
I) Sources of Funds										
a). Share Capital	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
b). Loan From Bank	3,389.78	0	0	0	0	0	0			
c). Loan From Government	0	0	0	0	0	0	0			
TOTAL	4,020.40	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
II) Sales	15,647.03	21,699.84	23,416.59	38,241.10	65,639.90	51,431.01	19,994.11	67950.38	54605.32	66084.85
III) INVENTORIES										
a. Stock (Finished Goods and										
Work-in-Progress)	905.43	1,571.31	1,783.65	427.31	516.13	3,056.68	7,152.43	6034.94	14456.38	8259.92
b. Stores & Spares	84.02	70.12	74.48	198.81	142.04	118.04	86.07	80.24	72.13	117.48
IV) Debtors	2,249.25	2,278.36	869.49	900.87	1,145.45	1,751.93	1,238.06	1396.1	3261.67	14233.86
V) Fixed Assets										
Gross Block	1,605.03	1,628.01	1,933.41	2,429.79	2,559.47	2,823.44	2,702.91	2,582.19	4,754.14	5,633.89
Less: Depreciation	-739.95	-791.83	-898.67	-1,045.05	-1,070.86	-1,271.62	-1,432.97	-369.94	-811.66	-1,256.40
Net Block	865.08	836.18	1,034.74	1,384.74	1,488.61	1,551.82	1,269.93	2,212.25	3,942.48	4,377.49
Capital Work-in-Progress	3.59	8.39	3.87	0.61	0.03	115.74	614.59	0	29627.99	29850.74
TOTAL	868.67	844.57	1,038.61	1,385.35	1,488.64	1,667.56	1,884.52	2,212.25	33,570.47	34,228.23
VI) Loans & Advances	7,778.87	5,293.48	5,465.24	7,740.11	33,467.31	28,271.79	26,009.10	50001.14	38661.54	42440.93
VII) Other Current Assets (including										
Cash and Bank Balances	15,062.82	17,377.68	27,862.53	50,064.90	62,113.52	1,07,851.19	63,172.85	15,444.98	78,611.32	99,987.14
VIII) Current Liabilities and Provisions	7,974.04	6,660.86	10,203.75	18,552.90	24,367.60	40,469.44	37,777.21	42,704.49	36,902.92	40,083.45
IX) Profit (+) Loss (-) for the year	6,669.78	8,383.59	9,705.23	23,053.43	48,124.81	43,502.50	17,147.83	29,950.77	31,755.42	17,336.96
X) Profit Percentage %	42.63	38.63	41.45	60.28	73.32	84.58	85.76	44.07	58.15	26.23
XI) Dividend paid	100.9	100.9	157.65	157.65	157.65	157.66	157.66	157.66	-	-
XII) Dividend %	16	16	25	25	25	25	25	25	-	-



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying standalone financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

- i) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the year Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details were not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	46,87,42,953	Cr
2	Int. on FDR's, BCs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,02,28,95,567	Cr





3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	1,02,88,83,396	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,59,63,767	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	95,11,26,206	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	6,37,56,23,992	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	15,52,76,968	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,00,89,08,080	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,35,65,991	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	12,77,65,275	Dr
11	Int. Accr. on FDR kept for BG's	14	Other Financial Assets (Current)	48,20,239	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	8,97,85,546	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,16,79,496	Dr
14	Int. on Fixed Deposits	27	Other Income	44,77,63,538	Cr
15	Int. on FD kept for BG	27	Other Income	84,87,688	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	6,48,69,400	Cr
17	Int on Sweep account SBKh	27	Other Income	43,50,127	Cr

ii) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2019 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.

iii) The following Ledger balances as on March 31, 2019 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2019 (In Rs.)
Adv.to EE Panc.Raj Dep(RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation )	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	51,52,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796



Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements.
- v) Inventories consists of Finished Goods amounting to Rs. 91,44,28,761 and Stores and Spares amounting to Rs. 69,17,837 as on 31<sup>st</sup> March 2019. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the Standalone Financial Statements could not be ascertained.
- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 49.94 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- viii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit), Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit), Pre Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chimakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of seignorage fee of Rs. 0.35 crores (Credit) and Service tax payable (Head Office) amounting to 5.25 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.





- ix) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.
- x) The company has Trade Receivables balance amounting to Rs. 141.55 Crores. Balance confirmations from Parties under Trade Receivables amounting to Rs 138.51 Crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings: -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xii) The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State FiberNet Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. During the year, APSFL has not repaid the first installment of Rs. 20 crores on due date as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



We conducted our audit of Standalone Financial statements in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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





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

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

#### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

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

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

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

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



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

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

#### **Other Matters**

The financial statements of the Company for the year ended March 31, 2017 and March 31, 2018 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on July 14, 2022 and 17<sup>th</sup> September, 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017 and March 31, 2018, the Board of Directors of the Company in their meeting held on 21<sup>st</sup> October 2022 approved the financial statements for the year ended March 31, 2019. Consequently, we have completed our audit for the year ended March 31, 2019 and March 31, 2018 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2018 and March 31, 2017 respectively. The reported amounts as on March 31, 2019 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and March 31, 2018 and subsequent approval at the Annual General Meeting.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Qualified Opinion paragraphs above and our separate report on the Internal Controls over Financial Reporting.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.





e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 37 to the Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022



For Sri Ramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D. T. Sagar*

CA. D. TEJA SAGAR  
Partner

Memb No: 227878

UDIN: 22227878 501045 5387

**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2019)

With reference to Annexure - A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2019, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangammampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of Inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we cannot comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (III) of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing





undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities.

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures as at Balance Sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 Issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause 3(xi) of the Order is not applicable.



- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*D. Teja Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

UIN: 22227878/BO10455387

**Annexure - B to the Independent Auditors' Report**

{Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2019}

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the Internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.





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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2019.

Based on the limited audit procedures performed by us during the course of our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.



d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.

e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2019 and these material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a Qualified opinion on the financial statements of the Company.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

UOW: 22227878 B01045 T387



**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no





	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2018-19. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the FY 2018-19.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa during the year.



14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2018-19.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



*[Signature]*

CA. D. TEJA SAGAR  
Partner  
Mem No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

UDIN: 22227878 BDI09S5382



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Balance Sheet as at March 31, 2019**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,82,479	4,37,749
Intangible assets	3	1,188	1,760
Capital work in progress	3	-	12,822
Exploration intangible assets under development	3	57,97,120	29,72,252
<b>Financial assets</b>			
Investments	4	11,027	11,027
Loans	5	8,09,201	6,05,230
Other financial assets	6	76,29,188	71,88,451
Deferred tax assets (net)	7	1,08,896	87,332
Non-current tax assets (net)	8	6,57,629	7,60,498
Other non-current assets	9	23,11,339	18,06,317
<b>Current assets</b>			
Inventories	10	9,20,547	8,36,941
<b>Financial assets</b>			
Trade receivables	11	14,15,504	14,23,386
Cash and cash equivalents	12	1,77,598	1,49,694
Other bank balances	12	4,40,332	24,14,702
Loans	13	22,01,622	724
Other financial assets	14	2,47,930	2,52,496
Other current assets	15	4,18,766	3,90,780
<b>TOTAL ASSETS</b>		<b>2,36,30,365</b>	<b>1,93,52,161</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	1,86,13,829	1,52,80,755
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	27,81,670	25,66,785
Provisions	19	54,065	50,293
Other non-current liabilities	20	79,733	79,232
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	1,84,687	2,40,681
Other financial liabilities	22	7,68,971	5,90,047
Other current liabilities	23	3,83,059	1,60,014
Provisions	24	-	10,746
Current tax liabilities (net)	25	7,01,246	3,10,547
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,36,30,365</b>	<b>1,93,52,161</b>

**Notes to financial statements**

1-55

The accompanying notes are an integral part of these standalone financial statements

As per our report

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325  
*P.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No. 227878



Place: Visakhapatnam  
Date: November 16, 2022

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A

Place: Vijayawada  
Date: October 21, 2022



UDIN: 22227878/3010455387

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
 All amounts are in thousands, unless otherwise stated

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income</b>			
Revenue from operations	26	86,21,521	76,16,063
Other income	27	7,86,188	5,53,075
<b>Total Income</b>		<b>94,07,709</b>	<b>81,69,138</b>
<b>Expenses</b>			
Cost of materials consumed	28	18,458	22,231
Change in inventories of finished goods	29	(88,437)	6,19,647
Employee benefits expense	30	3,97,585	3,21,319
Finance costs	31	38,703	29,172
Depreciation and amortization expense	32	56,901	46,864
Power and fuel	33	54,483	59,656
Excavation & transport charges	34	17,13,825	27,37,476
Other expenses	35	19,17,063	15,21,982
<b>Total Expenses</b>		<b>41,08,581</b>	<b>53,58,347</b>
<b>Profit before exceptional items and tax</b>		<b>52,99,129</b>	<b>28,10,791</b>
<b>Add : Exceptional items (Net)</b>		-	-
<b>Profit before tax</b>		<b>52,99,129</b>	<b>28,10,791</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax		19,88,986	10,90,085
Deferred tax		(21,588)	(12,990)
<b>Total tax expense/(benefit)</b>		<b>19,67,398</b>	<b>10,77,095</b>
<b>Profit for the year from continuing operations</b>		<b>33,31,731</b>	<b>17,33,696</b>
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year (A)</b>		<b>33,31,731</b>	<b>17,33,696</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		1,371	(5,417)
Income tax on above items		(2)	4,914
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>1,346</b>	<b>(503)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>33,33,077</b>	<b>17,33,193</b>
<b>Earnings per equity share (In Rs.) -</b> <b>(Nominal value of share Rs.1000/-)</b>			
• Before exceptional item	42	52,832.59	27,491.93
• After exceptional item		52,832.59	27,491.93
<b>Notes to financial statements</b>	1-55		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For Sri Ramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0040925

Dondeti Teja Sagar  
 Partner  
 Mem No.227878



Place : Yesakthapattanam  
 Date : November 15, 2022

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
 VC & MD  
 DIN: 08605525

O. Ramadevi  
 Director  
 DIN: 08076094

A. Nageswara Reddy  
 General Manager - F&A

Place : Vijayawada  
 Date : October 21, 2022



UDIN: 222278783010455387

## Statement of Changes in equity for the year ended March 31, 2019

## A. Equity share capital

(Rs. in '000's)

Particulars	No. of Shares	Amount
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 1 <sup>st</sup> April, 2018	63,062	63,062
Changes in equity share capital during 2018-19	-	-
Balance as at March 31, 2019	63,062	63,062

## B. Other Equity

(Rs. in '000's)

Particulars	Reserve and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/losses reserve	Deferred tax on OCI items	
Balance as at March 31, 2017	22,000	18,690	17,04,961	1,18,20,392	(5,657)	3,251	(5,076)	1,35,58,561
Provision for diminution in value of investments	(11,000)	-	-	-	-	-	-	(11,000)
Profit for the year	-	-	-	17,33,696	-	-	-	17,33,696
Other comprehensive income for the year	-	-	-	-	-	(5,417)	4,913	(503)
Total comprehensive income for the year	-	-	-	17,33,696	-	(5,417)	4,913	17,33,193
Transfer to reserve for bad and doubtful debts	-	62,871	-	(62,871)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(7,985)	-	5,417	2,568	-
Balance as at March 31, 2018	11,000	81,561	17,04,961	1,34,83,232	(5,657)	3,251	2,403	1,52,80,794
Profit for the year	-	-	-	33,31,731	-	-	-	33,31,731
Other comprehensive income for the year	-	-	-	-	-	1,371	(25)	1,346
Total comprehensive income for the year	-	-	-	33,31,731	-	1,371	(25)	33,33,077
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	11,000	81,109	17,04,961	1,68,15,415	(5,657)	4,622	2,378	1,86,13,831

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy &amp; Co

Chartered Accountants

Firm Regn No: 0030325

D. T. Sagar

Dandeti Teja Sagar

Partner

Mem No. 22/8/18



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

D. Ramadevi

Director

DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A

Place: Vijayawada

Date: November 15, 2023

Place: Vijayawada

Date: October 21, 2022

UDIN: 222278780010455387





The Andhra Pradesh Mineral Development Corporation Limited  
Cash flow statement for the year ended March 31, 2019  
All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	52,99,127	28,10,791
Adjustments for:		
Interest expense	34,477	15,663
Unwinding of discounting on provisions	3,772	3,509
Interest income	(7,59,911)	(5,47,641)
Depreciation/amortization on continuing operations	56,901	46,864
Provision bad & doubtful debts	20,541	16,260
Provision bad & doubtful advances	10,838	3,424
Remeasurement of defined benefit plans	1,371	(5,417)
Provision no longer require within bank	(4,538)	(2)
Operating profit before working capital changes	46,82,479	23,53,451
Adjustments for working capital:		
Increase/(decrease) in trade payables	(55,794)	(18,500)
Increase/(decrease) in provisions	(6,179)	2,69,814
Increase/(decrease) in other financial liabilities	6,18,258	52,737
Increase/(decrease) in other liabilities	(863)	6,366
Decrease/(increase) in trade receivables	(12,660)	(1,13,479)
Decrease/(increase) in inventories	(85,606)	6,15,112
Decrease/(increase) in other assets	(5,18,421)	3,06,800
Decrease/(increase) in other financial assets	(4,51,594)	(1,00,841)
Cash generated from operations	41,41,490	23,71,460
Direct taxes paid (net of refunds)	14,95,417	13,74,509
Net cash flow from/(used in) operating activities (A)	26,46,073	12,46,951
Cash flow from investing activities		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, CWIP and Capital advances	(29,13,104)	(1,20,473)
Movements in other bank balance	19,74,370	(21,21,551)
Loans repaid / Given to related parties	(24,00,000)	4,00,000
Loans repaid / Given to staff	(4,869)	(1,716)
Interest received	7,59,911	5,47,641
Net cash flow from/(used in) investing activities (B)	(25,83,692)	(13,06,101)
Cash flow from financing activities		
Interest paid	(34,477)	(25,663)
Net cash flow from/(used in) financing activities (C)	(34,477)	(25,663)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	27,903	(84,813)
Cash and cash equivalents at the beginning of the year	1,09,695	2,34,508
Cash and cash equivalents at the end of the year	1,77,598	1,49,695
Components of cash and cash equivalents		
Cash on hand	104	135
With banks accounts	1,77,494	1,49,559
Total cash and cash equivalents (Note 12)	1,77,598	1,49,694

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the Indirect method as set out in Ind As -7

As per our report

For and on behalf of the Board of Directors

For Srikrumamurthy & Co  
Chartered Accountants  
Firm Regn No. 0030325

D. T. Sagar  
Partner  
Mem No. 227878

UIN: 222278785010455387

Place: Visakhapatnam

Date: November 16, 2022



V.G. Venkata Reddy  
VC & MD  
DIN: 08905525

D. Ramadevi  
Director  
DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A

Place: Vijayawada  
Date: October 21, 2022



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1B, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh- 521137

### 2. Significant Accounting Policies

#### a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 as amended and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.



An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.





#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.



Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use

Mining properties and other assets in the course of development or construction and freehold land are not depreciated

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).





Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 5,00,000 MTs from financial year 2013-14 onwards and the remaining stock is considered without value. Due to rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value.

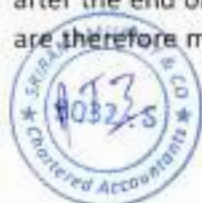
**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be



made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

##### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

##### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.



**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.



**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:



- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The company has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

#### **r. Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight line basis over the period of the lease.

#### **s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.





**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.





### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

#### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

#### **iv. De-recognition of financial assets**

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

### **Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

#### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if



- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed



Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company



**The Andhra Pradesh Mineral Development Corporation Limited**

Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development for the year ended March 31, 2019

**Note -3**

	Gross block			Depreciation			Net block			
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Free hold land	2,27,947	50,979		2,78,926	-	-		-	2,78,926	2,27,947
Buildings	41,162	2,365		43,547	11,235	4,949		16,184	27,363	25,927
Plant and machinery	1,93,025	34,988		1,78,013	47,038	19,827		66,865	1,11,148	95,987
Furniture & fixtures	12,436	4,744		17,180	2,617	3,661		6,278	10,903	9,819
Vehicles	9,140	5		9,146	6,064	1,026		7,090	2,056	3,077
Office equipment	19,662	1,534		21,197	7,424	5,432		12,856	8,361	12,239
Mining and equipment	66,071	2,726		68,797	32,706	7,615		40,321	28,478	53,365
Data processing equipment	13,940	1,055		15,035	10,941	2,135		13,076	1,959	2,999
Tent & huts	2,934	-		2,934	2,249	400		2,649	285	685
Lease hold improvements	25,094	2,915	3,230	24,679	5,175	11,439	3,230	11,384	11,294	19,919
Mining property	1,976	-		1,976	191	79		270	1,706	1,785
Total	5,63,389	1,01,271	3,230	6,61,430	1,25,640	56,541	3,230	1,78,951	4,82,479	4,37,749
Previous year - 2017-18	4,75,414	89,757	1,781	5,63,389	81,165	46,256	1,781	1,25,640	4,37,749	3,94,248
Intangible Assets										
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Computer software	3,181	172	-	3,353	1,421	744	-	2,165	1,189	1,760
Total	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Previous year - 2017-18	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Exploration intangible assets under development	29,72,252	28,24,868	-	57,97,120	-	-	-	-	57,97,120	29,72,252
Previous year - 2017-18	29,52,569	35,720	16,037	29,72,252	-	-	-	-	29,72,252	29,36,532
Capital work in progress	12,822	-	12,822	-	-	-	-	-	-	12,822
Previous year - 2017-18	8,392	12,822	8,392	12,822	-	-	-	-	12,822	8,392





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4	Non-current Investments	As at March 31, 2019	As at March 31, 2018
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCCL Subjari coal company limited 5,100 equity shares (March 31, 2018: 5,100) of Rs.10/- each fully paid up	51 (51)	51 (51)
	Less: Provision made for diminution in the value of shares		
	ii. M/s. Huzagon coal company limited 3,000 equity shares (March 31, 2018: 3,000) of Rs.100/- each fully paid up	5,957 (5,957)	5,957 (5,957)
	Less: Provision made for diminution in the value of shares		
	iii. M/s. Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2018: 56,100) of Rs.10/- each fully paid up	561 (561)	561 (561)
	Less: Provision made for diminution in the value of shares		
	iv. M/s. Andhra phosphate private limited 1,110 equity shares (March 31, 2018: 1,110) of Rs.1000/- each fully paid up	1,110 (1,110)	1,110 (1,110)
	Less: Provision made for diminution in the value of shares		
	Investment in Associates		
	v. M/s. Aswari mineral development private limited 65,000 equity shares (March 31, 2018: 65,000) of Rs.10/- each fully paid up	650 (650)	650 (650)
	Less: Provision made for diminution in the value of shares		
	vi. M/s. SRAP mineral private limited 3,250 equity shares (March 31, 2018: 3,250) of Rs.10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
	Less: Provision made for diminution in the value of shares		
	vii. M/s. Arjun minerals exports private limited 1,300 equity shares (March 31, 2018: 1,300) of Rs.10/- each fully paid up	1,300 (1,300)	1,300 (1,300)
	Less: Provision made for diminution in the value of shares		
	viii. M/s. hsa minerals exports private limited 1,300 equity shares (March 31, 2018: 1,300) of Rs.10/- each fully paid up	1,300 (1,300)	1,300 (1,300)
	Less: Provision made for diminution in the value of shares		
	ix. M/s. Morgaree granites private limited 1,100 equity shares (March 31, 2018: 1,100) of Rs.10/- each fully paid up	1,100 (1,100)	1,100 (1,100)
	Less: Provision made for diminution in the value of shares		
	x. M/s. Ongole minerals exports private limited 3,250 equity shares (March 31, 2018: 3,250) of Rs.10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
	Less: Provision made for diminution in the value of shares		
	xi. M/s. RLP granites private limited 3,250 equity shares (March 31, 2018: 3,250) of Rs.10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
	Less: Provision made for diminution in the value of shares		
	xii. M/s. AP coastal sands & metals private limited 13,000 equity shares (March 31, 2018: 13,000) of Rs.10/- each fully paid up	130 (130)	130 (130)
	Less: Provision made for diminution in the value of shares		
	xiii. M/s. Andhra Pradesh tribal mining private limited 28,600 equity shares (March 31, 2018: 28,600) of Rs.10/- each fully paid up	286 (286)	286 (286)
	Less: Provision made for diminution in the value of shares		



<b>Investment in Joint Ventures</b>		
vi. M/s A.P. Gratiast (Madhav) private limited 11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs.10/- each fully paid up	11,000	11,000
vii. M/s Alliance A.P. Black galaxy games private limited 11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
viii. M/s. Allastand grantees private limited 11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
ix. M/s. Gumpas AP banyan benifigoon private limited 1,370 equity shares (March 31, 2018: 1,370) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
x. M/s Andhra banyan corporation private limited 8,52,500 equity shares (March 31, 2018: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xi. M/s Andhra Pradesh run one company limited 6,160 equity shares (March 31, 2018: 6,160) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	61 (61)	61 (61)
xii. M/s. Times banyan private limited 4,50,000 equity shares (March 31, 2018: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xiii. M/s K.V. minerals private limited 1,100 equity shares (March 31, 2018: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Investments measured at amortized cost</b>		
<b>Investment in Government Securities (unquoted)</b>	7,138	7,138
Less: Provision made for doubtful investment	(7,052)	(7,052)
	<b>13,027</b>	<b>13,027</b>
<b>Aggregate amount of quoted investments - Market value</b>		
<b>Aggregate amount of quoted investments - Book value</b>		
<b>Aggregate amount of unquoted investments</b>	11,077	11,077
<b>Aggregate provision for diminution in value of investments</b>	40,497	40,497
<b>Aggregate Provision made for doubtful investment</b>	7,404	7,404
<b>5</b>		
<b>Loans (Non-current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Security deposits</b>		
Unsecured, considered doubtful	9,292	9,292
Less: Provision for doubtful debts	(9,292)	(9,292)
<b>Loans to corporate</b>		
Unsecured, considered good	6,00,000	6,00,000
Loan to AP state liberal limited & Machilipatnam Urban Development Authority. Refer Note- 4T & 4B		
<b>Others</b>		
<b>Loans and advances to Employees</b>		
Unsecured, considered good	5,230	5,230
Unsecured, considered doubtful	256	68
Less: Allowance for bad and doubtful debts	(256)	(68)
<b>Total</b>	<b>8,05,203</b>	<b>6,05,200</b>





6	Other Financial Assets (Non-Current)	As at	As at
		March 31, 2019	March 31, 2018
	Unsecured, considered good - Refer note: 46		
	Balance in current accounts	10,010	5,738
	Long term bank deposits	75,49,800	73,04,007
	Sweep accounts	73,566	70,735
	Advance Receivable	5,802	7,250
	Unsecured, considered doubtful		
	Balance in call office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>76,29,188</b>	<b>71,88,452</b>
7	Deferred tax assets (Net)	As at	As at
		March 31, 2019	March 31, 2018
	Deferred tax asset		
	Property, plant & equipment	16,921	17,125
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,850	5,421
	Provision for decommissioning costs	18,891	17,405
	Provision for bad & doubtful debts, investments & advances	20,785	51,921
	<b>Total Deferred tax asset</b>	<b>1,13,459</b>	<b>89,870</b>
	Deferred tax liability		
	Investment	(2,563)	(2,538)
	<b>Total deferred tax liability</b>	<b>(2,563)</b>	<b>(2,538)</b>
	<b>Net Deferred tax asset</b>	<b>1,09,896</b>	<b>87,332</b>
8	Non current tax assets (Net)	As at	As at
		March 31, 2019	March 31, 2018
	Income Tax		
	Corporate tax receivable	6,57,625	7,60,495
	<b>Total</b>	<b>6,57,625</b>	<b>7,60,495</b>
9	Other non-current assets	As at	As at
		March 31, 2019	March 31, 2018
	A) Capital advances		
	Unsecured, considered good	2,39,387	2,39,387
	Unsecured, considered doubtful	27,024	26,024
	Provision for doubtful advances	(27,024)	(26,024)
		<b>2,39,387</b>	<b>2,39,387</b>
	B) Advances other than capital advances		
	Unsecured, considered good	11,87,678	10,07,079
	Unsecured, considered doubtful	18,011	18,812
	Less: Provision for doubtful advances	(28,013)	(28,872)
		<b>11,87,678</b>	<b>10,07,079</b>
	C) Others - Specified		
	Unsecured, considered good	8,80,256	5,50,909
	Unsecured, considered doubtful	56,358	10,164
	Less: Provision for doubtful advances	(56,198)	(10,164)
	Prepaid Expenses	4,038	-
		<b>8,84,274</b>	<b>5,58,909</b>
	<b>Total</b>	<b>11,11,339</b>	<b>10,08,317</b>
10	Inventories	As at	As at
		March 31, 2019	March 31, 2018
	Finished Goods	9,14,419	8,15,092
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	6,418	31,746
	<b>Total</b>	<b>9,20,547</b>	<b>8,36,941</b>



11	Trade receivables (Current)	As at March 31, 2019	As at March 31, 2018
	Unsecured, considered good	14,15,504	14,23,386
	Unsecured, considered doubtful	57,659	58,544
	Less: Allowance for doubtful debts	(15,659)	(58,544)
	Total	14,15,504	14,23,386
12	Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
	Cash and cash equivalents		
	Balances with banks		
	In current accounts	1,77,494	1,44,353
	Cash on hand	174	135
	(A)	1,77,598	1,44,488
	Other bank balances		
	In saving accounts	4,40,332	14,14,702
	Fixed deposits with maturity > 3 months but < 12 months	-	10,00,000
	(B)	4,40,332	14,14,702
	Total	6,17,930	25,64,190
13	Loans (Current)	As at March 31, 2019	As at March 31, 2018
	Loans to corporate		
	Unsecured, considered good		
	Loan to AP State Fibrenet Limited & Muzhupattam Urban Development Authority. Refer Note. 47 & 48	22,00,000	-
	Others	-	-
	Loans and Advances to employees		
	Unsecured, considered good	1,672	724
	Total	22,01,672	724
14	Other financial assets (Current)	As at March 31, 2019	As at March 31, 2018
	Deposits with others		
	Unsecured, considered good	53	37
	Advances receivable in cash		
	Unsecured, considered good	2,47,860	2,52,459
	Unsecured, considered doubtful	4,594	4,595
	Less: Provisions made	(4,592)	(4,595)
	Total	2,47,920	2,52,495
15	Other current assets	As at March 31, 2019	As at March 31, 2018
	A) Advances recoverable		
	Unsecured, considered good	59,095	63,544
		59,095	63,544
	B) Others - Specified		
	Unsecured, considered good		
	Balance with statutory authorities	1,02,112	1,63,498
	Prepaid expenses	42,903	40,817
	Others	16,595	523
		1,61,610	1,64,838
	Total	4,16,700	3,90,780



2b	Equity Share capital	As at March 31, 2019	As at March 31, 2018
	Authorised share capital: 1,00,000 equity shares of Rs.1000/- each/ (Previous year: 1,00,000 equity shares of Rs.1000/- each)	1,00,000	1,00,000
		1,00,000	1,00,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs.1000/- each fully paid up/ (Previous year: 63,062 equity shares of Rs.1000/- each)	63,062	63,062
		63,062	63,062

#### 16.4 Additional notes

##### Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019	As at March 31, 2018
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

16.2 The company has one class of equity share having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

##### 16.3 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the share holder	As at March 31, 2019	As at March 31, 2018
Governor of the Andhra Pradesh, represented by Assistant Secretary to Government (mines) Industries & Commerce Department	63,062 (100%)	63,062 (100%)

17	Other equity	As at March 31, 2019	As at March 31, 2018
	Capital Reserve		
	Free rifle equity shares for consideration other than cash allotted by		
	i) M/s. Aswani mineral development private limited 66,000 equity shares (March 31, 2018: 65,000) of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	ii) M/s SRAP mineral private limited 3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	iii) Asham minerals exports private limited 1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	iv) Isha minerals exports private limited 1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	v) Marganave granites private limited 1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	vi) Ongole mineral exports private limited 3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)



<p> <b>iii. M/P grates private limited</b>            3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 100/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           3,250            (3,250)         </p>	<p>           3,250            (3,250)         </p>
<p> <b>iv. M/P &amp; Aggrates (Indwest) private limited</b>            11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           11,000            (11,000)         </p>	<p>           11,000            (11,000)         </p>
<p> <b>v. M/P Allance A.P. Hlink galley grates private limited</b>            11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           11,000            (11,000)         </p>	<p>           11,000            (11,000)         </p>
<p> <b>vi. M/P Palavand grates private limited</b>            1,10,000 equity shares (March 31, 2018: 1,10,000) of Rs. 100/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           11,000            (11,000)         </p>	<p>           11,000            (11,000)         </p>
<p> <b>vii. M/P A.P. Industrial &amp; Metals private limited</b>            13,000 equity shares (March 31, 2018: 13,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           130            (130)         </p>	<p>           130            (130)         </p>
<p> <b>viii. M/P Hrgole sign the mining company private limited</b>            56,100 equity shares (March 31, 2018: 56,100) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           561            (561)         </p>	<p>           561            (561)         </p>
<p> <b>ix. M/P Gampes AP haryas beneligion private limited</b>            3,333 equity shares (March 31, 2018: 3,333) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           33            (33)         </p>	<p>           33            (33)         </p>
<p> <b>x. M/P Redding banya corporation private limited</b>            8,52,500 equity shares (March 31, 2018: 8,52,500) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           8,525            (8,525)         </p>	<p>           8,525            (8,525)         </p>
<p> <b>xi. M/P Anula trading company limited</b>            6,850 equity shares (March 31, 2018: 6,850) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           69            (69)         </p>	<p>           69            (69)         </p>
<p> <b>xii. M/P Luma banya private limited</b>            4,50,000 equity shares (March 31, 2018: 4,50,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           4,500            (4,500)         </p>	<p>           4,500            (4,500)         </p>
<p> <b>xiii. M/P V. mampala private limited</b>            1,100 equity shares (March 31, 2018: 1,100) of Rs. 100/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           110            (110)         </p>	<p>           110            (110)         </p>
	11,000	11,000
<b>Equity instruments through DCI</b>		
Opening Balance		17,486
Other components of income for the year	1,346	1,509
6,264,264 Transferred from profit and loss account	-	7,985
Closing balance	1,346	-
<b>Reserve for bad and doubtful debts</b>		
Balance as per the prior financial statements	81,560	18,699
Adjustment transferred from profit and loss account	(652)	62,871
Closing balance	81,108	81,560
<b>General Reserve</b>		
Balance as per the last financial statements	17,04,961	17,04,961
Closing balance	17,04,961	17,04,961



Surplus/(Deficit) in the statement of profit and loss			
Balance at the last financial statement		1,34,83,293	1,34,20,194
Profit for the year		17,11,729	17,33,695
		1,51,95,022	1,51,53,889
Less: Appropriations			
Transferred from/to other comprehensive income		-	1,985
Reserve for bad and doubtful debts		(452)	62,871
Total appropriations		(452)	70,856
Net surplus in statement of profit and loss		1,51,94,570	1,51,51,908
Total reserves and surplus taken to balance sheet		1,51,94,570	1,51,51,908
18 Other financial liabilities (Non-Current)		As at March 31, 2019	As at March 31, 2018
Expenses payable against infrastructure development		64,372	70,320
Deposits		17,280	17,280
Others - refer note 4b		27,05,218	24,75,181
Total		27,86,870	25,62,781
19 Provisions (Non-current)		As at March 31, 2019	As at March 31, 2018
Provision for Others			
Provision for decommissioning cost		54,065	50,293
Total		54,065	50,293
20 Other Non-current liabilities		As at March 31, 2019	As at March 31, 2018
Others			
Leasing liabilities		79,733	79,732
Total		79,733	79,732
21 Trade payables (Current)		As at March 31, 2019	As at March 31, 2018
Trade payables			
Due to micro enterprises and small enterprises			
Due to creditors other than micro enterprises and small enterprises		1,84,687	2,40,687
Total		1,84,687	2,40,687
Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below			
Particulars		As at March 31, 2019	As at March 31, 2018
a) Principal amount and interest due thereon			
b) Interest paid in terms of section 13 of MSME Act			
c) Interest due and payable for the period of delay excluding interest specified under MSME Act			
d) Interest accrued and remaining unpaid at the end of the year			
e) Further interest due and payable in terms of section 13 of MSME Act, 2006			

Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.





22	Other financial liabilities (Current)	As at March 31, 2019	As at March 31, 2018
	Salaries & other benefits payable	33,143	33,788
	Security deposits from customers	3,06,710	2,63,212
	Other payables	4,41,023	3,20,967
	Total	7,68,973	5,90,047
23	Other current liabilities	As at March 31, 2019	As at March 31, 2018
	Advance from customers	3,64,317	1,39,878
	Statutory liabilities	16,772	10,110
	Total	3,63,099	1,60,010
24	Provisions (Current)	As at March 31, 2019	As at March 31, 2018
	Provision for employee benefits:		
	Provision for gratuity	-	8,140
	Provision for leave benefits	-	2,620
	Total	-	10,746
25	Current tax liabilities	As at March 31, 2019	As at March 31, 2018
	Provision for income tax	7,03,346	3,30,542
	Total	7,03,346	3,30,542





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26	Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
	Sale of products	85,76,488	74,57,841
	Sale of services	45,032	1,58,222
	<b>Total</b>	<b>86,21,521</b>	<b>76,16,063</b>
27	Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
	Interest income		
	Bank deposits	6,25,728	4,61,466
	Loans	287	252
	Others	1,34,886	35,974
	Rent receipts	721	719
	Forfeiture of security deposit	18,000	2,488
	Sale of tender documents	2,252	996
	Liabilities no longer required written back	4,548	2
	Other miscellaneous income	666	1,218
	<b>Total</b>	<b>7,86,188</b>	<b>5,53,075</b>
28	Cost of materials consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
	Packing material	18,458	22,231
	<b>Total</b>	<b>18,458</b>	<b>22,231</b>
29	Changes in Inventories of finished goods	For the year ended March 31, 2019	For the year ended March 31, 2018
	a) Opening stock of finished goods	8,25,992	10,45,639
		8,25,992	10,45,639
	b) Closing stock of Finished Goods	9,14,429	8,25,992
		9,14,429	8,25,992
	<b>Changes in Inventories of finished goods</b>	<b>[88,437]</b>	<b>6,19,647</b>



30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Salaries and wages	3,20,655	1,89,561
	Contribution to PF and other funds	51,950	1,09,155
	Staff welfare expenses	24,980	22,603
	<b>Total</b>	<b>3,97,585</b>	<b>3,21,319</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Unwinding of discount of provision	4,226	3,509
	Interest - Others	34,477	25,663
	<b>Total</b>	<b>38,703</b>	<b>29,172</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Depreciation of Plant, Property and Equipment	56,157	45,203
	Amortization of intangible assets	744	661
	<b>Total</b>	<b>56,901</b>	<b>46,864</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Power and fuel	54,483	59,656
	<b>Total</b>	<b>54,483</b>	<b>59,656</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Excavation & transport charges for run of mine	3,87,895	2,13,813
	Excavation & transport charges for overburden	11,25,930	25,23,653
	<b>Total</b>	<b>17,13,825</b>	<b>27,37,476</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Rents	12,264	11,905
	Repairs & maintenance	15,891	8,673
	Insurance	943	1,047
	Rates and taxes		
	Royalty	7,16,362	6,12,750
	DMF	2,14,909	1,83,825
	NAMET	14,327	12,255
	Cess	46,576	39,830
	Other Rates and Taxes	1,31,869	16,875
	<b>Other expenses</b>		
	Operating expenses	40,091	37,786
	Milling charges	37,275	39,918
	Transport and Weagon loading charges	91,624	26,619
	Selling expenses	28,574	26,011
	New project expenses	1,432	20,710
	Office & general expenses	67,763	67,978
	Payment to auditors [refer note no 35.1]	750	500
	Audit fee for other auditors	400	436
	Printing & stationery	3,730	2,475
	Corporate social responsibility expenses	75,620	1,37,247
	Remuneration to out sourced services	2,61,117	2,46,904
	Provision for doubtful debts	20,542	16,260
	Provision for doubtful advances	30,838	3,424
	Data processing charges	1,542	7,477
	Rehabilitation expenses	9,636	4,032
	Donations	1,00,000	-
	Miscellaneous Expenditure	2,087	-
	<b>Total</b>	<b>19,17,063</b>	<b>18,21,982</b>



35.1	Payment to Auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
	Statutory audit fee	750	500
	<b>Total</b>	<b>750</b>	<b>500</b>

### 36 Income Tax

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax:</b>		
Current income tax charge	19,88,986	10,90,085
<b>Total (a)</b>	<b>19,88,986</b>	<b>10,90,085</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(21,588)	(12,990)
<b>Total (b)</b>	<b>(21,588)</b>	<b>(12,990)</b>
<b>Total</b>	<b>19,67,398</b>	<b>10,77,095</b>

### Other comprehensive income

Items that will not be reclassified to P&L	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of Defined Benefit Plan Loss/Gain		
Granulity	(350)	(5,854)
Leave encashment	1,721	1,447
Deferred tax on above items	(25)	4,914
<b>Total</b>	<b>1,346</b>	<b>(503)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(loss) before tax as per statement of profit and loss	52,99,129	28,10,791
Applicable tax rate as enacted by the relevant finance Act	34.944%	34.608%
Computed Tax Expense	18,51,778	9,72,758
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(21,588)	(12,990)
ii) Adjustment due to expenses not considered under IT Act		
a) CSR Expenditure	26,425	47,498
b) Change in Depreciation	6,180	4,105
c) Provision for doubtful items	17,954	6,812
d) Other items	86,700	58,411
<b>Total income tax expense for the year</b>	<b>19,67,398</b>	<b>10,77,095</b>



**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2019	As at 31.03.2018
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,34,315
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No 237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>43,73,675</p> <p>7,62,935</p>	<p>36,97,005</p> <p>6,76,670</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2018-19, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	15,128
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2018-2019, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)





### 38. Classification of financial instrument

A. Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2019

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Non-current investments	4	-	-	11,027	-	11,027
Advance recoverable	6	-	5,802	-	-	5,802
Loans	5 & 13	-	-	30,10,824	-	30,10,824
Trade receivables	11	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	12	-	-	1,77,598	-	1,77,598
Bank balances other than above	12	-	-	4,40,332	-	4,40,332
Balances with Banks and post office	6	-	-	83,576	-	83,576
Deposits	14	-	-	50	-	50
Fixed deposits	6	-	-	75,39,809	-	75,39,809
Interest receivable	14	-	-	2,47,880	-	2,47,880
<b>Total</b>		-	<b>5,802</b>	<b>1,29,26,600</b>	-	<b>1,29,32,402</b>
Trade payables	21	-	-	-	1,84,687	1,84,687
Relating to Employees	22	-	-	-	21,163	21,163
Expenses payable against Infrastructure Development	18	-	-	-	64,172	64,172
Others	18 & 22	-	-	-	31,41,301	31,41,301
Deposits	18 & 22	-	-	-	3,24,005	3,24,005
<b>Total</b>		-	-	-	<b>37,35,328</b>	<b>37,35,328</b>



As at 31st March, 2018

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Non-current investments	4	-	-	11,027	-	11,027
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12	-	-	1,49,694	-	1,49,694
Bank balances other than above	12	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Deposits	14	-	-	37	-	37
Advance recoverable	6	-	-	7,250	-	7,250
Fixed Deposits	6	-	-	71,03,707	-	71,03,707
Interest receivable	14	-	-	2,52,459	-	2,52,459
<b>Total</b>		-	-	<b>1,20,45,710</b>	-	<b>1,20,45,710</b>
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	27,82,172	27,82,172
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>33,97,514</b>	<b>33,97,514</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.



Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	57,659	58,564
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	57,659	58,564
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	14,15,504	14,23,386
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,15,504	14,23,386

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Barytes	4,31,076	(4,31,076)	3,80,803	(3,80,803)

###### b. Packing material price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(993)	993	(1,112)	1,112



**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for run of mine	(19,395)	19,395	(10,691)	10,691
Excavation & Transport Charges for Overburden	(66,296)	66,296	(1,26,183)	1,26,183

**40. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2019**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	1,84,687	1,84,687	-	-
Other financial liabilities	35,50,642	7,68,971	27,81,670	-
<b>Total</b>	<b>37,35,329</b>	<b>9,53,658</b>	<b>27,81,670</b>	<b>-</b>

**As at 31st March 2018**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	31,56,832	5,90,047	25,66,785	-
<b>Total</b>	<b>31,56,832</b>	<b>8,30,728</b>	<b>25,66,785</b>	<b>-</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2019	As at 31-03-2018
Employers contribution to provident fund	8,838	8,462
Employers contribution to pension fund	5,577	5,328





## B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2018

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	57,113	47,111	51,160	45,475
Service cost	2,405	2,253	1,982	4,006
Interest expenses	4,318	3,657	3,863	3,619
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(899)	(2,775)	(916)	(454)
Remeasurements - actuarial (gains)/losses	766	6,865	(1,206)	(1,486)
<b>Benefit obligations at the end</b>	<b>63,703</b>	<b>57,113</b>	<b>54,884</b>	<b>51,160</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	48,973	37,394	48,555	31,169
Interest income	4,182	3,353	4,272	(3,072)
Employer contributions	12,706	11,808	15,923	14,924
Benefits payments from plan assets	(1,770)	(3,584)	(1,197)	(573)
Actuarial gain / (loss) on plan assets	416	1	515	(39)
<b>Benefit obligations at the end</b>	<b>64,507</b>	<b>48,973</b>	<b>68,073</b>	<b>48,555</b>

ii. Amount recognized in the Balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
PV of obligations at the end of the year	63,703	57,113	54,884	51,160
Fair value of plan assets at the end of the year	64,507	48,973	68,073	48,555



Liability (+)/Asset (-)	(803)	8,140	(13,189)	2,606
recognised in the balance sheet				

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Service cost	2,405	2,253	1,982	4,006
Interest expenses	136	305	(408)	547
<b>Net expense recognised</b>	<b>2,541</b>	<b>2,558</b>	<b>1,574</b>	<b>4,553</b>

**iv. Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial (gain)/losses on obligations for the period	766	6,865	(1,206)	(1,487)
Actuarial (gain)/losses on plan assets for the period	(416)	(1)	(515)	(39)
<b>Net expense recognised</b>	<b>350</b>	<b>6,864</b>	<b>(1,721)</b>	<b>(1,448)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Rate of discounting	7.67%	7.62%	7.67%	7.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

**v. Summary of Demographic Assumptions**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.15	11.69	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave payment rate	-	-	2.00%	2.00%





**vi. Maturity Profile of Defined Benefit Obligations:**

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Expected Cash flow in year 1	30,539	25,041	26,299	22,279
Expected Cash flow in year 2	3,074	3,368	6,373	7,114
Expected Cash flow in year 3	6,190	3,649	7,166	5,901
Expected Cash flow in year 4	5,732	5,642	5,630	5,855
Expected Cash flow in year 5	6,570	5,240	5,436	4,713
Expected Cash flow in year 6	3,207	6,159	3,109	4,557
Expected Cash flow in year 7	3,895	2,942	2,972	2,535
Expected Cash flow in year 8	4,170	3,322	3,031	2,479
Expected Cash flow in year 9	1,362	3,764	1,341	2,417
Expected Cash flow in year 10	6,890	1,231	2,425	1,111

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Under Base Scenario	63,703	57,113	0.00%	0.00%
Salary Escalation - Up by 1%	66,358	59,727	4.20%	4.60%
Salary Escalation - Down by 1%	61,259	54,716	-3.90%	-4.20%
Withdrawal Rates - Up by 1%	64,133	57,550	0.70%	0.80%
Withdrawal Rates - Down by 1%	63,231	56,633	-0.80%	-0.80%
Discount Rates - Up by 1%	61,740	55,131	-3.10%	-3.50%
Discount Rates - Down by 1%	65,880	59,315	3.50%	3.90%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Under Base Scenario	54,884	51,160	0.00%	0.00%
Salary Escalation - Up by 1%	56,622	52,891	3.10%	3.40%
Salary Escalation - Down by 1%	53,231	49,520	-3.00%	-3.20%
Withdrawal Rates - Up by 1%	55,050	51,333	0.30%	0.30%
Withdrawal Rates - Down by 1%	54,707	50,977	-0.30%	-0.40%
Discount Rates - Up by 1%	53,682	49,934	-2.20%	-2.40%



Discount Rates - Down by 1%	56,176	52,481	2.30%	2.60%
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#### ix. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

#### x. Liability risks

##### a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 42. Earnings per share (EPS)

Particulars	As at 31-03-2019	As at 31-03-2018
Profit after tax before exceptional items	33,33,077	17,33,193
Add: exceptional items	-	-
Profit after tax after exceptional items	33,33,077	17,33,193
Profit available for Equity Shareholders	33,31,729	17,33,193
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	52,832.59	27,491.93
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	52,832.59	27,491.93

#### 43. Related Party Transactions

##### A. List of related parties

Name of the related party	[% of holding]	
	As at 31-03-2019	As at 31-03-2018
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Sullyarl coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh Iron ore company limited	11.00%	11.00%



Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

Name of the related party	Relation
Sri Ch.Venkalah Chowdary, I.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	Fellow Government company / Authority
Machilipatnam Urban Development Authority	
Rayalaseema Steel Corporation Limited	

**B. Related party transactions**

**i. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income
Andhra Pradesh granite (Midwest) private limited	-	-
Pallava red granite private limited	6,216	-
Machilipatnam Urban Development Authority	-	19,726

**ii. Amount due to/from related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,25,028
Pallava red granite private limited	41,844	35,628
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	-	1,721





iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:

Name of the related party	As at 31-03-2019	As at 31-03-2018
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	-

iv. Balance during the year with related parties

Investment in subsidiaries	As at 31-03-2019	As at 31-03-2018
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Suli vari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679

Investment in joint ventures	As at 31-03-2019	As at 31-03-2018
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217

Investment in associates	As at 31-03-2019	As at 31-03-2018
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716



**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2019	As at 31-03-2018
Sri Ch.Venkaiah Chowdary, I.R.S	2,142	921

**vi. Loan to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
AP state fibernet limited	10,00,000	6,00,000
Machilipatnam urban development authority	20,00,000	-

**vii. Advance to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Rayalaseema steel corporation limited	26,095	-

**44. Deferred tax asset /(liability)**

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	4,860	8,421
Provision for decommissioning asset	18,893	17,405
Property, plant and equipment	16,921	11,123
Other provisions	70,785	52,921
<b>Total deferred tax asset</b>	<b>1,11,459</b>	<b>89,870</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Investments	2,563	2,538
<b>Total deferred tax liability</b>	<b>2,563</b>	<b>2,538</b>
<b>Deferred tax asset /(Liability) – net</b>	<b>1,08,896</b>	<b>87,333</b>

**45. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs.71,091).
- b. Amount spent during the year

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Construction/ acquisition of any assets	-	-
Purpose other than above	75,620	1,37,247



#### 46. Treatment demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio
  - APMDC-58.32%
  - TSMDC-41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	





<b>Current/Non-Current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

<b>Assets</b>	<b>Common Pool</b>	<b>AP</b>	<b>TS</b>
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.75,23,725/- Thousands (Sweep accounts of Rs.73,566 /- and fixed deposits of Rs.74,50,159 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **47. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.



The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No,Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs 100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

During the year, APSFL has not repaid the due instalment amount of Rs.20.00 crores as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.



#### 48. Loan to Machilipatnam Urban Development Authority (MUDA)

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### 49. Advance to Rayalaseema steel corporation limited

During the year company has paid an amount of Rs.2.61 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the AMMDC. It further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs 2.61 crores has been provided towards provision for doubtful advance.

#### 50. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
Total		25,56.86





## 51. Additional Information

### 51.1 Particulars of consumption of raw material

(Rs. In Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	18,458	100.00	22,230	100.00
<b>Total</b>	<b>18,458</b>	<b>100.00</b>	<b>22,230</b>	<b>100.00</b>

### 51.2 Particulars of consumption of stores & spares

(Rs. In Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	15,891	100.00	8,673	100.00
<b>Total</b>	<b>15,891</b>	<b>100.00</b>	<b>8,673</b>	<b>100.00</b>

## 52. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 and 31<sup>st</sup> March, 2018 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022 and 17<sup>th</sup> September, 2022 respectively due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018, the board of directors of the company in their meeting held on 21<sup>st</sup> October, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2019. The reported amounts as on 31<sup>st</sup> march, 2019 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 53. Revenue from contracts with customers

The Company has implemented Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers w.e.f. 01st April, 2018 using the modified retrospective method of adoption. However, there is no financial implication due to implementation of the said Ind AS at present.



**54. Ind AS issued and not yet effective:**

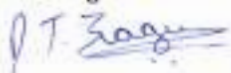
**Ind AS 116 Leases :**

Ministry of Corporate Affairs has notified 'The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia Includes the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the 1st April 2019. The impact of the same is yet to be assessed. The Company is proposing to use the Modified Retrospective Approach for transitioning to Ind AS 116

**55. General**

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

As per our report  
For Sri Ramamurthy & Co  
Chartered Accountants  
Firm Regn No.003032S

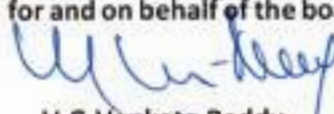
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878




UDIN: 22227878 BO10455387

Place: Visakhapatnam  
Date: November 15, 2022

for and on behalf of the board of directors

  
**V.G. Venkata Reddy**  
VC&MD  
DIN:08805525

  
**D. Ramadevi**  
Director  
DIN:08076094

  
**A. Nageswara Reddy**  
General Manager-F&A

Place: Vijayawada  
Date: October 21, 2022





## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying Consolidated financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2019, its Consolidated profit (including other comprehensive income), Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

- i) We draw attention to Note No: - 44 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2019 and further reasons as detailed in Note No 44, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL sullyani coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%





10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margusree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for qualified Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the year Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details were not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/ Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	46,87,42,953	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,02,28,95,567	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	1,02,88,83,396	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,59,63,767	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	95,11,26,206	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	6,37,56,23,992	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	15,52,76,968	Dr



8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets [Non-Current]	1,00,89,08,080	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets [Non-Current]	7,35,65,991	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	12,77,65,275	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	48,20,239	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	8,97,85,546	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,16,79,496	Dr
14	Int. on Fixed Deposits	27	Other Income	44,77,63,538	Cr
15	Int. on FD kept for BG	27	Other Income	84,87,688	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	6,48,69,400	Cr
17	Int. on Sweep account SBIkh	27	Other Income	43,50,127	Cr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2019 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2019 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2019 (in Rs.)
Adv.to EE Panch. Raj Dep(RIPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	51,52,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and





Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements.

vi) Inventories consists of Finished Goods amounting to Rs. 91,44,28,781 and Stores and Spares amounting to Rs. 69,17,837 as on 31<sup>st</sup> March 2019. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of Inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of Inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.

vii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.

viii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMO payable, Stale Cheques Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 49.94 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

ix) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs. 1.32 Crores (Credit), Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit), Pre Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chimakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of seignorage fee of Rs. 0.35 crores (Credit) and Service tax payable (Head Office) amounting to 5.25 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.

x) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.







requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the "Other Matters" paragraph herein below is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

#### **Material Uncertainty Related to Going Concern**

We draw attention to the following "Materiality Uncertainty Related to Going Concern" paragraph in Independent Auditor's Report dated 22<sup>nd</sup> August 2019 on the separate financial statements of Andhra Pradesh Granite (Midwest) Private Limited, a joint venture of the company for the financial year 2018-19

*"We draw attention to Note no. 38 of the Ind AS Financial statements which indicates that the company incurred a net loss of Rs. 14,19,26,952, during the year ended 31<sup>st</sup> March 2019 and as of that date, the company's current liabilities exceeded its current assets by Rs 10,83,36,166. These events or conditions, along with other matters as set forth in Note No. 38, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern".*

The same has been referred to by the Group in Note No 56 to the consolidated financial statements.

Our opinion is not modified in respect of the above matter.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair



view of the Consolidated financial position, Consolidated financial performance including Consolidated other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiaries have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated





financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

#### Other Matters

1. The Consolidated financial statements of the Holding Company for the year ended March 31, 2017 and March 31, 2018 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on July 14, 2022 and 17<sup>th</sup> September, 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017 and March 31, 2018, the Board of Directors of the Holding Company in their meeting held on 21<sup>st</sup> October 2022 approved the Consolidated financial statements for the year ended March 31, 2019. Consequently, we have completed our audit for the year ended March 31, 2019 and March 31, 2018 considering the opening balances based on the Consolidated financial statements as approved by the Board and audited by us for the year ended March 31, 2018 and March 31, 2017 respectively. The reported amounts as on March 31, 2019 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and March 31, 2018 and subsequent approval at the Annual General Meeting.
2. We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Loss of Rs 150.11 lakhs for



the year ended 31<sup>st</sup> March 2019 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
- b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
- e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its



financial position in its Consolidated financial statements- Refer Note 37 to the Consolidated financial statements.

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure - B.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

*D. T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 BOI0203734



### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2019)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, as of March 31, 2019 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

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

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Companies/Entities considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Group.



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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2019

Based on the limited audit procedures performed by us during the course of our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal Financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.



- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Group as at March 31, 2019 and these material weaknesses has affected our opinion on the Consolidated financial statements of the Group and we have issued a Qualified opinion on the financial statements of the Group.



Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

CA D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 BOIO203734



**ANNEXURE-B to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Holding Company. As such there is no financial impact involved
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there



-	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there is no Public Deposit Account in the name of the Holding Company.





6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the Inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2018-19. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the FY 2018-19.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa during the year



14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2018-19.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

*[Signature]*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

VOIN: 22227878 BDI0203734

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Balance Sheet as at March 31, 2019**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	4,82,479	4,37,749
Intangible assets	3	1,188	1,760
Capital work in progress	3	-	12,822
Exploration intangible assets under development	3	57,97,120	29,71,252
<b>Financial assets</b>			
Investments	4	5,368	20,260
Loans	5	8,09,201	6,05,230
Other financial assets	6	76,29,188	71,88,451
Deferred tax assets (net)	7	1,08,896	87,332
Non-current tax assets (net)	8	6,57,629	7,60,498
Other non-current assets	9	23,11,339	18,06,317
<b>Current assets</b>			
Inventories	10	9,20,547	8,36,941
<b>Financial assets</b>			
Trade receivables	11	14,15,504	14,23,386
Cash and cash equivalents	12	1,77,598	1,49,694
Other bank balances	12	4,40,332	24,14,702
Loans	13	22,01,621	724
Other financial assets	14	2,47,930	2,52,496
Other current assets	15	4,18,766	3,90,780
<b>TOTAL ASSETS</b>		<b>2,36,24,706</b>	<b>1,93,61,394</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	1,86,08,171	1,52,89,987
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	27,81,670	25,66,785
Provisions	19	54,065	50,293
Other non-current liabilities	20	79,733	79,232
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	1,84,687	2,40,681
Other financial liabilities	22	7,68,971	5,90,047
Other current liabilities	23	3,83,099	1,60,014
Provisions	24	-	10,746
Current tax liabilities (net)	25	7,01,246	3,10,547
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,36,24,706</b>	<b>1,93,61,394</b>
<b>Notes to financial statements</b>	1-57		

The accompanying notes are an integral part of these consolidated financial statements

**As per our report**

For Sri Ramamurthy & Co  
Chartered Accountants  
Firm Regn No. 0030325

*P.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No 227K78



Place: Visakhapatnam  
Date: November 15, 2022

**For and on behalf of the Board of Directors**

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A

Place: Vijayawada  
Date: October 21, 2022



UDW: 22227878 B010203734



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2019  
All amounts are in thousands, unless otherwise stated

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income</b>			
Revenue from operations	26	86,21,521	76,16,063
Other income	27	7,86,188	5,53,075
<b>Total Income</b>		<b>94,07,709</b>	<b>81,69,138</b>
<b>Expenses</b>			
Cost of materials consumed	28	18,458	22,231
Change in inventories of finished goods	29	(88,437)	6,19,647
Employee benefits expense	30	3,97,585	3,21,319
Finance costs	31	38,703	29,172
Depreciation and amortization expense	32	56,901	46,864
Power and fuel	33	54,483	59,656
Excavation & transport charges	34	17,13,825	27,37,476
Other expenses	35	19,17,063	15,21,982
<b>Total Expenditure</b>		<b>41,08,581</b>	<b>53,58,347</b>
<b>Profit before exceptional items and tax</b>		<b>52,99,128</b>	<b>28,10,791</b>
Add: Exceptional items (Net)		-	-
<b>Profit before tax</b>		<b>52,99,128</b>	<b>28,10,791</b>
Share of loss of joint venture		(15,011)	(2,199)
Less: Tax expense/(benefit)			
Current tax		19,88,986	10,90,085
Deferred tax		(21,588)	(12,990)
<b>Total tax expense/(benefit)</b>		<b>19,67,398</b>	<b>10,77,095</b>
<b>Profit from continuing operations</b>		<b>33,16,720</b>	<b>17,31,497</b>
Profit from discontinuing operations		-	-
Less: Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year (A)</b>		<b>33,16,720</b>	<b>17,31,497</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		1,371	(5,417)
Items that will not be reclassified to profit or loss of JV		119	73
Income tax on above items		(25)	4,914
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>1,465</b>	<b>(480)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>33,18,185</b>	<b>17,31,017</b>
<b>Earnings per equity share (in Rs) -</b> <b>[Nominal value of share Rs.1000/-]</b>			
- Before exceptional item	42	52,594.58	27,484.32
- After exceptional item		52,594.58	27,484.32
<b>Notes to financial statements</b>	<b>1-57</b>		

The accompanying notes are an integral part of these consolidated financial statements

As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*[Signature]*  
Dandeti Raja Sagar  
Partner  
Mem No 227878



Place: Vijayawada  
Date: November 16, 2022

For and on behalf of the Board of Directors

*[Signature]* V.G.Venkata Reddy  
V.C. & MD  
DIN: 08815525

*[Signature]* D.Ramadevi  
Director  
DIN: 088176094

*[Signature]* A.Nageswara Reddy  
General Manager - F&A



Place: Vijayawada  
Date: October 21, 2022

UDIN: 22227878 BDI0203734



## Statement of Changes in equity for the year ended March 31, 2019

Balance Sheet as at March 31, 2019

## A. Equity share capital

(Rs. in '000's)

Particulars	No of Shares	Amount
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 1 <sup>st</sup> April, 2018	63,062	63,062
Changes in equity share capital during 2018-19	-	-
Balance as at March 31, 2019	63,062	63,062

## B. Other Equity

(Rs. in '000's)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves [General reserve]	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actuarial Gains/losses reserve	Deferred tax on OCI items	
Balance as at March 31, 2017	22,000	18,690	17,24,670	1,18,02,664	(5,657)	3,251	(5,076)	1,35,58,587
Provision for diminution in value of investments	(11,000)	-	-	-	-	-	-	(11,000)
Elimination of loss of joint venture	-	-	-	9,226	-	-	-	9,226
Profit for the year	-	-	-	17,31,497	-	-	-	17,31,497
Other comprehensive income for the year	-	-	-	-	-	(5,394)	4,913	(480)
Total comprehensive income for the year	-	-	-	17,31,497	-	(5,394)	4,913	17,31,017
Transfer to reserve for bad and doubtful debts	-	62,870	-	(62,870)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(7,967)	-	5,394	2,568	-
Balance as at March 31, 2018	11,000	81,560	17,24,670	1,34,72,759	(5,657)	3,251	2,405	1,52,89,987
Profit for the year	-	-	-	33,16,720	-	-	-	33,16,720
Other comprehensive income for the year	-	-	-	-	-	1,490	(25)	1,465
Total comprehensive income for the year	-	-	-	33,16,720	-	1,490	(25)	33,18,185
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	11,000	81,108	17,24,670	1,67,89,930	(5,657)	4,741	2,380	1,86,08,171

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*P.T. Sagar*  
Dandeti Teja Sagar  
Partner  
Mem No. 227878



*V.G. Vankata Reddy*  
V.G. Vankata Reddy  
VC & MD  
DIN: 0805525

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A

*D. Ramadevi*  
D. Ramadevi  
Director  
DIN: 08076094



Place: Visakhapatnam  
Date: November 15, 2021

Place: Visayawada  
Date: October 21, 2022

UDIN: 22227878BOIO203734

Balance Sheet as at March 31, 2019		
Consolidated Cash flow statement for the year ended March 31, 2019		
All amounts are in thousands, unless otherwise stated		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	52,84,117	28,08,592
Adjustments for		
Interest expense	34,477	25,663
Unwinding of discounting on provisions	3,772	3,509
Interest income	(7,55,911)	(5,47,641)
Depreciation/amortization on continuing operations	56,901	46,864
Provision bad & doubtful debts	20,542	16,260
Provision bad & doubtful advances	30,838	3,424
Remeasurement of defined benefit plans	1,371	(5,417)
Provision no longer require written back	(4,638)	(2)
Operating profit before working capital changes	46,67,469	23,51,252
Adjustments for working capital:		
Increase/(decrease) in trade payables	(55,994)	(18,500)
Increase/(decrease) in provisions	(6,109)	2,69,814
Increase/(decrease) in other financial liabilities	6,18,258	52,737
Increase/(decrease) in other liabilities	(863)	6,366
Decrease/(increase) in trade receivables	(14,566)	(11,35,479)
Decrease/(increase) in inventories	(83,606)	6,15,112
Decrease/(increase) in other assets	(5,33,410)	3,06,800
Decrease/(increase) in other financial assets	(4,51,594)	(98,642)
Cash generated from operations	41,41,481	23,71,460
Direct taxes paid (net of refunds)	14,95,417	11,24,509
Net cash flow from/(used in) operating activities (A)	26,46,074	12,46,951
Cash flow from investing activities		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, C&IP and Capital advances	(79,13,104)	(1,30,473)
Movements in other bank balance	15,74,370	(21,21,553)
Loans repaid / Given to related parties	(24,00,000)	4,00,000
Loans repaid / Given to staff	(4,869)	(1,716)
Interest received	7,59,911	5,47,641
Net cash flow from/(used in) investing activities (B)	(25,83,692)	(13,06,101)
Cash flow from financing activities		
Interest paid	(34,477)	(25,663)
Net cash flow from/(used in) financing activities (C)	(34,477)	(25,663)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	27,904	(84,814)
Cash and cash equivalents at the beginning of the year	1,49,694	2,34,508
Cash and cash equivalents at the end of the year	1,77,598	1,49,694
Components of cash and cash equivalents		
Cash on hand	104	135
With banks accounts	1,77,494	1,49,559
Total cash and cash equivalents (Note 12)	1,77,598	1,49,694

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as setout in Ind As -7

As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
*P. T. Sagar*  
Dandeti Teja Sagar  
Partner  
Mem No 227878



Place: Vijayawada

Date: November 15, 2022

UDIN: 22227878 BOIOZO3734

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
PIN: 08875525

*O. Ramadevi*  
O. Ramadevi  
Director  
PIN: 08076094

*A. Nagaraj Reddy*  
A. Nagaraj Reddy  
General Manager - F&A

Place: Vijayawada  
Date: October 21, 2022



## Notes to the Consolidated Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant Accounting Policies

#### a. Statement of Compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The Consolidated Financial Statements ("CF5") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**c. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

In the process of applying the Group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.



### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements
  - i. represent faithfully the financial position, financial performance and cash flows of the Group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias,
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc

### **e. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.





All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest income**

Interest income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Group's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account



At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses

Non monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 5,00,000 MTs from financial year 2013-14 onwards and the remaining stock is considered without value. Due to rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months.



after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.





Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.



**r. Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.



#### **w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial Instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.





**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.





### iii. De-recognition of financial liabilities

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

### y. Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

### z. Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### aa. Exploration and Evaluation

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods, and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

### ab. Stripping cost

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



Note -3

	Gross block				Depreciation			Net block		
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/ Transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Free hold land	2,27,947	50,979	-	2,78,926	-	-	-	-	2,78,926	2,27,947
Buildings	41,162	2,385	-	43,547	11,235	4,949	-	16,184	27,363	29,927
Plant and machinery	1,42,025	34,988	-	1,78,013	47,038	19,827	-	66,865	1,11,148	95,957
Furniture & fixtures	12,436	4,744	-	17,180	2,617	3,661	-	6,278	10,903	9,819
Vehicles	9,141	5	-	9,146	6,054	1,026	-	7,080	2,056	3,077
Office equipment	14,663	1,534	-	21,197	7,424	5,412	-	12,836	8,361	12,239
Mining and equipment	56,071	2,726	-	68,797	32,706	7,613	-	40,319	28,478	33,365
Data processing equipment	13,940	1,095	-	15,035	10,941	2,135	-	13,076	1,959	2,999
Tent & huts	2,934	-	-	2,934	2,241	400	-	2,649	285	685
Lease hold improvements	25,094	2,815	3,230	29,679	5,175	11,439	3,230	13,364	11,294	19,319
Mining property	1,976	-	-	1,976	191	79	-	270	1,706	1,785
Total	5,63,389	1,01,271	3,230	6,61,430	1,25,640	56,541	3,230	1,78,951	4,82,479	4,37,749
Previous year - 2017-18	4,75,414	89,757	1,781	5,63,389	81,165	46,256	1,781	1,25,640	4,37,749	3,94,248
Intangible Assets										
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/ Transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Computer software	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Total	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Previous year - 2017-18	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Intangible assets under development										
Exploration intangible assets under development	29,72,752	28,24,868	-	57,97,120	-	-	-	-	57,97,120	29,72,752
Previous year - 2017-18	29,52,569	35,720	16,037	29,72,252	-	-	-	-	29,72,252	29,36,532
Capital work in progress										
Capital work in progress	12,822	-	12,822	-	-	-	-	-	-	12,822
Previous year - 2017-18	8,392	12,822	8,392	12,822	-	-	-	-	12,822	8,392



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to consolidated financial statements for the year ended March 31, 2019  
 All amounts are in thousands, unless otherwise stated

4	Non-current investments	As at March 31, 2019	As at March 31, 2018
	<b>Unquoted equity instruments - Investments measured at cost</b>		
	<b>Investment in subsidiary companies</b>		
	i. M/s GPMCC - SCCL sa yam coal company limited		
	5,100 equity shares (March 31, 2018: 5,100) of Rs 10/- each		
	fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s Kugapet coal company limited		
	1,000 equity shares (March 31, 2018: 1,000) of Rs 100/- each		
	fully paid up	5,557	5,557
		(5,967)	(5,967)
	iii. M/s Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2018: 56,100) of Rs 10/- each		
	fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited		
	1,110 equity shares (March 31, 2018: 1,110) of Rs 1,000/- each		
	fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	<b>Investment in Associates</b>		
	v. M/s. Aswari mineral development private limited:		
	65,000 equity shares (March 31, 2018: 65,000) of Rs. 10/- each		
	fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s SRAP mineral private limited:		
	3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 10/- each		
	fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s Arham minerals exports private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s isra minerals exports private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalore granites private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited:		
	3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 10/- each		
	fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RLP granites private limited:		
	3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 10/- each		
	fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s A.F coastal sands & metals private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s Andhra Pradesh oil mining private limited:		
	286 equity shares (March 31, 2018: 286) of Rs. 100/- each		
	fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)





<b>Investment in Joint Ventures</b>		
vi. M/s A.P. granites (indwes) private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs.10/- each fully paid up	5,341	20,211
vii. M/s.Alliance A.P.black galaxy granites private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
viii. M/s.Rallava red granites private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
xiii. M/s.Gimpex AP barytes benfloat on private limited 1,320 equity shares(March 31, 2018: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xiv. M/s. Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2018: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xv. M/s. Andhra Pradesh lion ore company limited 6,850 equity shares(March 31, 2018: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
vi. M/s. Inimes baryte private limited 4,50,000 equity shares(March 31, 2018: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xxi. M/s.V.V. minerals private limited 1,100 equity shares(March 31, 2018: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	7,118	7,118
Less: Provision made for doubtful investment	(7,092)	(7,092)
	<b>5,368</b>	<b>20,260</b>
<b>Aggregate amount of quoted investments - Market value</b>		
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	5,368	11,027
Aggregate provision for diminution in value of investments	40,497	40,497
Aggregate Provision made for doubtful investment	7,404	7,404
<b>S</b>		
<b>Loans (Non-current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Security deposits</b>		
Unsecured, considered doubtful	9,292	9,292
Less: Provision for doubtful debts	(9,292)	(9,292)
Loans to corporate		
Unsecured, considered good	8,00,000	5,00,000
Loan to AP state Bhemet Limited & Machilipatnam Urban Development Authority. Refer Note: 48 & 49		
<b>Others</b>		
<b>Loans and Advances to Employees</b>		
Unsecured, considered good	9,201	5,230
Unsecured, considered doubtful	256	68
Less: Allowance for bad and doubtful debts	(256)	(68)
<b>Total</b>	<b>8,09,201</b>	<b>6,05,230</b>





6	Other Financial Assets (Non-Current)	As at March 31, 2019	As at March 31, 2018
	Unsecured, considered good - Refer note: 47		
	Balance in current accounts	10,010	6,779
	Long term bank deposits	75,39,809	71,03,707
	Sweep accounts	73,566	70,715
	Advance Receivable in cash	9,802	7,250
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>76,20,188</b>	<b>71,88,451</b>
7	Deferred tax asset (Net)	As at March 31, 2019	As at March 31, 2018
	Deferred tax asset		
	Property, plant & equipment	16,921	11,123
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	4,860	8,421
	Provision for decommissioning costs	18,893	17,405
	Provision for bad & doubtful debts, investments & advances	70,785	52,921
	<b>Total Deferred tax asset</b>	<b>1,11,459</b>	<b>89,870</b>
	Deferred tax liability		
	Investment	(2,563)	(2,538)
	<b>Total deferred tax liability</b>	<b>(2,563)</b>	<b>(2,538)</b>
	<b>Net Deferred tax asset</b>	<b>1,08,896</b>	<b>87,332</b>
8	Non current tax assets (Net)	As at March 31, 2019	As at March 31, 2018
	Income Tax		
	Corporate tax receivable	6,57,629	7,60,498
	<b>Total</b>	<b>6,57,629</b>	<b>7,60,498</b>
9	Other non-current assets	As at March 31, 2019	As at March 31, 2018
	A) Capital advances		
	Unsecured, considered good	2,39,387	2,79,167
	Unsecured, considered doubtful	27,023	26,023
	Provision for doubtful advances	(27,023)	(26,023)
		<b>2,39,387</b>	<b>2,79,167</b>
	B) Advances other than capital advances		
	Unsecured, considered good	11,87,678	10,07,021
	Unsecured, considered doubtful	28,013	24,872
	Less: Provision for doubtful advances	(28,013)	(24,872)
		<b>11,87,678</b>	<b>10,07,021</b>
	C) Others - Specified		
	Unsecured, considered good	8,80,256	5,59,908
	Unsecured, considered doubtful	56,398	10,164
	Less: Provision for doubtful advances	(56,398)	(10,164)
	Prepaid expenses	4,018	-
		<b>8,84,176</b>	<b>5,59,908</b>
	<b>Total</b>	<b>23,11,338</b>	<b>18,06,317</b>
10	Inventories	As at March 31, 2019	As at March 31, 2018
	Finished Goods	9,14,479	8,25,992
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	6,918	13,748
	<b>Total</b>	<b>9,20,547</b>	<b>8,36,941</b>



11	<b>Trade receivables (Current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	Unsecured, considered good	14,15,504	14,23,386
	Unsecured, considered doubtful	57,659	58,564
	Less: Allowance for doubtful debts	(57,659)	(58,564)
	<b>Total</b>	<b>14,15,504</b>	<b>14,23,386</b>
12	<b>Cash and cash equivalents</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Cash and cash equivalents</b>		
	Balances with banks:		
	in current accounts	1,77,494	1,49,550
	Cash on hand	104	135
	(A)	1,77,598	1,49,684
	<b>Other bank balances</b>		
	In sweep accounts	4,40,332	14,14,702
	Fixed deposits with maturity > 1 months but < 12 months	-	10,00,000
	(B)	4,40,332	24,14,702
	<b>Total</b>	<b>6,17,930</b>	<b>25,64,386</b>
13	<b>Loans (current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Loans to corporate</b>		
	Unsecured, considered good		
	Loan to AP state Fiber Optic Limited & Machilipatnam Urban Development Authority Refer Note 48 & 49	22,00,000	-
	Others		
	<b>Loans and Advances to Employees</b>		
	Unsecured, considered good	1,622	124
	<b>Total</b>	<b>22,01,622</b>	<b>124</b>
14	<b>Other financial assets (Current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>Deposits with others</b>		
	Unsecured, considered good	50	37
	<b>Advances receivable in cash</b>		
	Unsecured, considered good	2,47,880	1,52,459
	Unsecured, considered doubtful	4,592	4,595
	Less: Provision made	(4,592)	(4,595)
	<b>Total</b>	<b>2,47,930</b>	<b>2,52,496</b>
15	<b>Other current assets</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
	<b>A) Advances recoverable</b>		
	Unsecured, considered good	59,095	63,844
	Doubtful	-	-
	Less: Provision for doubtful items	-	-
		59,095	63,844
	<b>B) Others - Specified</b>		
	Balance with statutory authorities		
	Unsecured, considered good	3,01,172	2,85,498
	Prepaid expenses	42,903	40,817
	Others	14,595	621
		3,58,670	3,26,936
	<b>Total</b>	<b>4,18,765</b>	<b>3,90,780</b>



16	Equity Share Capital	As at March 31, 2019	As at March 31, 2018
<b>Authorised share capital:</b> 1,00,000 equity shares of Rs. 1000/- each (Previous year: 1,00,000 equity shares of Rs. 1000/- each)		1,00,000	1,00,000
		1,00,000	1,00,000
<b>Issued, subscribed and fully paid up share Capital:</b> 63,062 equity shares of Rs. 1000/- each fully paid up (Previous year : 63,062 equity shares of Rs.1000/- each)		63,062	63,062
		63,062	63,062
<b>16.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2019	As at March 31, 2018
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2</b> The company has one class of equity shares having a par value of Rs. 1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3</b> The details of shares in the Company held by each shareholder holding more than 5% shares			
	Name of the share holder	As at March 31, 2019	As at March 31, 2018
	Governor of the Andhra Pradesh, represented by Assistant Secretary to Government (mines) Industries & Commerce department	63,062 (100%)	63,062 (100%)
17	Other equity	As at March 31, 2019	As at March 31, 2018
<b>Capital Reserves</b>			
Free ride equity shares for consideration other than cash allotted by			
i. M/s. Apwani mineral development private limited, 65,000 equity shares(March 31, 2018: 65,000) of Rs. 10/- each fully paid up		650	650
Less: Provision made for diminution in the value of shares		(650)	(650)
ii. M/s.SRAP mineral private limited 3,25,000 equity shares(March 31, 2018: 3,25,000) of Rs. 10/- each fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)
iii. Arham minerals exports private limited 1,30,000 equity shares(March 31, 2018: 1,30,000) of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
iv. Isra minerals exports private limited 1,30,000 equity shares(March 31, 2018: 1,30,000) of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
v. Margasree granites private limited 1,30,000 equity shares(March 31, 2018: 1,30,000) of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
vi. Ungole minerals exports private limited 3,25,000 equity shares(March 31, 2018: 3,25,000) of Rs. 10/- each fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)



vi. RLP granites private limited 3,25,000 equity shares(March 31, 2018: 3,25,000) of Rs. 10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
Less: Provision made for diminution in the value of shares		
vii. M/s A.P. granites(megwest) private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
Less: Provision made for diminution in the value of shares		
ix. M/s Advance A.P. back galaxy granites private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
Less: Provision made for diminution in the value of shares		
x. M/s Palladium granites private limited 1,10,000 equity shares(March 31, 2018: 1,10,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
Less: Provision made for diminution in the value of shares		
xi. M/s A.P. coastal sands & metals private limited 13,000 equity shares(March 31, 2018: 13,000) of Rs. 10/- each fully paid up	130 (130)	130 (130)
Less: Provision made for diminution in the value of shares		
xii. M/s Naga venture mining company private limited 56,100 equity shares(March 31, 2018: 56,100) of Rs. 10/- each fully paid up	561 (561)	561 (561)
Less: Provision made for diminution in the value of shares		
xiii. M/s Gumpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2018: 1,320) of Rs. 10/- each fully paid up	13 (13)	13 (13)
Less: Provision made for diminution in the value of shares		
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2018: 8,52,500) of Rs. 10/- each fully paid up	8,525 (8,525)	8,525 (8,525)
Less: Provision made for diminution in the value of shares		
xv. M/s Andhra Pradesh iron ore company limited 6,800 equity shares(March 31, 2018: 6,800) of Rs. 10/- each fully paid up	68 (68)	68 (68)
Less: Provision made for diminution in the value of shares		
xvi. M/s. L. mer hant private limited 4,50,000 equity shares(March 31, 2018: 4,50,000) of Rs. 10/- each fully paid up	4,500 (4,500)	4,500 (4,500)
Less: Provision made for diminution in the value of shares		
xvii. M/s. V.V. minerals private limited 1,100 equity shares(March 31, 2018: 1,100) of Rs. 10/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
<b>Equity instruments through OCI</b>		
Opening Balance		(7,452)
Other comprehensive income for the year	1,465	(480)
Add/(Less): Transferred from/(to) retained earnings	-	1,465
Closing balance	1,465	-
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	81,560	18,585
Add/(Less): Transferred from to profit and loss account	(452)	16,871
Closing balance	81,108	81,560
<b>General Reserve</b>		
Balance as per the last financial statements	17,24,670	17,24,670
Closing balance	17,24,670	17,24,670





Surplus/(Deficit) in the statement of profit and loss		
Balance as per the last financial statements	1,34,72,757	1,18,02,868
Less: Elimination of joint venture loss		9,226
Profit for the year	31,16,120	17,32,487
	<b>1,67,89,476</b>	<b>1,35,43,591</b>
Less: Appropriations		
Transferred from/to other comprehensive income		7,162
Reserve for bad and doubtful Debts	(852)	62,871
Total appropriations	(852)	70,833
Net surplus in statement of profit and loss	<b>1,67,89,928</b>	<b>1,34,72,757</b>
Total reserves and surplus taken to balance sheet	<b>1,86,08,171</b>	<b>1,52,89,987</b>

18	Other financial liabilities (Non-Current)	As at March 31, 2019	As at March 31, 2018
	Expenses payable against infrastructure development	64,172	70,320
	Deposits	17,280	17,280
	Others - refer note 47	17,00,218	24,79,195
	<b>Total</b>	<b>27,81,670</b>	<b>25,66,795</b>

19	Provisions (Non-current)	As at March 31, 2019	As at March 31, 2018
	Provision for Others:		
	Provision for decommissioning cost	54,065	50,293
	<b>Total</b>	<b>54,065</b>	<b>50,293</b>

20	Other Non-current liabilities	As at March 31, 2019	As at March 31, 2018
	Others		
	Statutory liabilities	79,733	79,232
	<b>Total</b>	<b>79,733</b>	<b>79,232</b>

21	Trade payables (Current)	As at March 31, 2019	As at March 31, 2018
	Trade payables		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	1,84,687	2,40,681
	<b>Total</b>	<b>1,84,687</b>	<b>2,40,681</b>

Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

Particulars	As at March 31, 2019	As at March 31, 2018
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.





22	Other financial liabilities (Current)	As at March 31, 2019	As at March 31, 2018
	Salaries & other benefits payable	21,163	23,788
	Security deposits from customers	3,06,724	2,62,272
	Other payables	4,41,083	3,02,987
	Total	7,68,971	5,90,047
23	Other current liabilities	As at March 31, 2019	As at March 31, 2018
	Advance from customers	3,64,327	1,39,878
	Statutory liabilities	18,772	20,130
	Total	3,83,099	1,60,014
24	Provisions (Current)	As at March 31, 2019	As at March 31, 2018
	Provision for employee benefits:		
	Provision for gratuity	-	8,140
	Provision for leave benefits	-	2,605
25	Current tax liabilities	As at March 31, 2019	As at March 31, 2018
	Provision for income tax	7,31,246	3,10,547
	Total	7,31,246	3,10,547



The Andhra Pradesh Mineral Development Corporation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

All amounts are in thousands, unless otherwise stated

26	Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
	Sale of products	85,76,488	74,57,841
	Sale of services	45,032	1,58,122
	Total	86,21,521	76,16,063
27	Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
	Interest income		
	Bank deposits	6,25,728	4,61,466
	Loans	287	252
	Others	1,33,896	85,924
	Rent receipts	721	709
	Forfeiture of security deposit	18,000	2,488
	Sale of tender documents	2,252	996
	Liabilities no longer required writtenback	4,638	2
	Other miscellaneous income	606	1,238
	Total	7,86,188	5,53,075
28	Cost of materials consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
	Packing material	18,458	22,231
	Total	18,458	22,231
29	Changes in inventories of finished goods	For the year ended March 31, 2019	For the year ended March 31, 2018
	a) Opening stock of finished goods	8,25,992	14,45,639
		8,25,992	14,45,639
	b) Closing stock of finished Goods	9,14,429	8,25,992
		9,14,429	8,25,992
	Changes in inventories of finished goods	(88,437)	6,19,647



30	Employee benefit expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
	Salaries and wages	3,20,655	1,89,561
	Contribution to PF and other funds	51,950	1,09,155
	Staff welfare expenses	24,980	22,603
	<b>Total</b>	<b>3,97,585</b>	<b>3,21,319</b>
31	Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
	Unwinding of discount of provision	4,226	3,509
	Interest - Others	34,477	25,663
	<b>Total</b>	<b>38,703</b>	<b>29,172</b>
32	Depreciation and amortization expense	For the year ended March 31, 2019	For the year ended March 31, 2018
	Depreciation of Plant, Property and Equipment	56,157	46,704
	Amortization of intangible assets	744	861
	<b>Total</b>	<b>56,901</b>	<b>46,864</b>
33	Power and fuel	For the year ended March 31, 2019	For the year ended March 31, 2018
	Power and fuel	54,483	59,656
	<b>Total</b>	<b>54,483</b>	<b>59,656</b>
34	Excavation & transport charges	For the year ended March 31, 2019	For the year ended March 31, 2018
	Excavation & transport charges for run of mine	3,87,845	2,13,813
	Excavation & transport charges for overburden	13,15,930	25,23,663
	<b>Total</b>	<b>17,13,825</b>	<b>27,37,476</b>
35	Other expenses	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rents	12,264	13,905
	Repairs & maintenance	15,891	8,673
	Insurance	943	1,047
	<b>Rates and taxes</b>		
	Royalty	7,16,362	6,12,750
	DMF	2,14,909	1,83,825
	NAMET	14,327	12,255
	Cess	46,576	39,830
	Other Rates and Taxes	1,31,869	16,875
	<b>Other expenses</b>		
	Operating expenses	30,091	37,796
	Selling expenses	28,574	26,011
	Milling charges	37,275	39,918
	Transport and Weagon loading charges	91,674	26,615
	Prospecting & mining lease expenses	1,534	20,710
	Office & general expenses	67,763	67,978
	Payment to statutory auditors [refer note no 35.1]	750	500
	Audit fee for other auditors	400	436
	Printing & stationery	3,730	2,475
	Corporate social responsibility expenses	75,620	1,37,747
	Remuneration to out sourced services	2,61,117	2,46,904
	Provision for doubtful debts	20,542	16,260
	Provision for doubtful advances	30,838	3,424
	Data processing charges	1,542	2,477
	Rehabilitation expenses	9,636	4,032
	Donations	1,00,000	
	Miscellaneous expenditure	2,386	
	<b>Total</b>	<b>19,17,063</b>	<b>15,21,982</b>



35.1	Payment to Auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
	Statutory audit fee	750	500
	<b>Total</b>	<b>750</b>	<b>500</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:		
	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Profit and Loss section</b>		
	<b>Current tax:</b>		
	Current income tax charge	19,88,986	10,90,085
	<b>Total (a)</b>	<b>19,88,986</b>	<b>10,90,085</b>
	<b>Deferred tax:</b>		
	In respect of current year origination and reversal of temporary differences	(21,588)	(12,990)
	<b>Total (b)</b>	<b>(21,588)</b>	<b>(12,990)</b>
	<b>Total</b>	<b>19,67,398</b>	<b>10,77,095</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2019	For the year ended March 31, 2018
	Remeasurement of Defined Benefit Plan Loss/Gain		
	Gratuity	(350)	(6,864)
	Leave encashment	1,721	1,447
	Deferred tax on above items	(25)	4,914
	<b>Total</b>	<b>1,346</b>	<b>(503)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Profit/(loss) before tax as per statement of profit and loss</b>	<b>52,99,128</b>	<b>28,10,791</b>
	Applicable tax rate as enacted by the relevant finance Act	34.944 %	34.608 %
	Computed Tax Expense	18,51,727	9,72,759
	<b>Tax effect of :</b>		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(21,588)	(12,990)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR Expenditure	26,425	47,498
	b) Change in Depreciation	6,180	4,105
	c) Provision for doubtful items	17,954	6,812
	d) Other items	86,700	58,911
	<b>Total income tax expense for the year</b>	<b>19,67,398</b>	<b>10,77,095</b>





**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2019	As at 31.03.2018
A	Claims against the company not acknowledged as debts consisting of :		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,34,315
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes 8yers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/ from the years 2010-11 to 2012-13 and Rs 1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O 237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18. dt 13/1/2016 There is no communication received from the Government</p> <p>i) Aggregate till end of the previous year 43,73,675 36,97,005</p> <p>ii) For the year(net off payment) 7,62,935 6,76,670</p>	
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. {Details given below}	57,583 57,583
<b>B</b>	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000 63,00,000



<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	15,128
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998 1999 to 2017-2018, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total – A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total – B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 38. Classification of financial instrument

A. Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2019

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Non-current investments	4	-	-	5,368	-	5,368
Advance recoverable	6	-	5,802	-	-	5,802
Loans	5 & 13	-	-	30,10,824	-	30,10,824
Trade receivables	11	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	12	-	-	1,77,598	-	1,77,598
Bank balances other than above	12	-	-	4,40,332	-	4,40,332
Balances with Banks and post office	6	-	-	83,576	-	83,576
Deposits	14	-	-	50	-	50
Fixed deposits	6	-	-	75,39,809	-	75,39,809
Interest receivable	14	-	-	2,47,880	-	2,47,880
<b>Total</b>		-	<b>5,802</b>	<b>1,29,20,941</b>	-	<b>1,29,26,743</b>
Trade payables	21	-	-	-	1,84,687	1,84,687
Relating to Employees	22	-	-	-	21,163	21,163
Expenses payable against Infrastructure Development	18	-	-	-	64,172	64,172
Others	18 & 22	-	-	-	31,41,301	31,41,301
Deposits	18 & 22	-	-	-	3,24,005	3,24,005
<b>Total</b>		-	-	-	<b>37,35,328</b>	<b>37,35,328</b>



As at 31st March, 2018

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
Non-current investments	4	-	-	20,260	-	20,260
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12	-	-	1,49,694	-	1,49,694
Bank balances other than above	12	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Deposits	14	-	-	37	-	37
Advance recoverable	6	-	-	7,250	-	7,250
Fixed Deposits	6	-	-	71,03,707	-	71,03,707
Interest receivable	14	-	-	2,52,459	-	2,52,459
<b>Total</b>		-	-	<b>1,20,54,943</b>	-	<b>1,20,54,943</b>
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	27,82,172	27,82,172
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>33,97,514</b>	<b>33,97,514</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.





Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	57,659	58,564
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	57,659	58,564
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	14,15,504	14,23,386
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,15,504	14,23,386

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Baryres	4,31,076	(4,31,076)	3,80,803	(3,80,803)

###### b. Packing material price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(993)	993	(1,112)	1,112





**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for run of mine	(19,395)	19,395	(10,691)	10,691
Excavation & Transport Charges for Overburden	(66,296)	66,296	(1,26,183)	1,26,183

**40. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2019**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	1,84,687	1,84,687	-	-
Other financial liabilities	35,50,642	7,68,971	27,81,670	-
<b>Total</b>	<b>37,35,329</b>	<b>9,53,658</b>	<b>27,81,670</b>	<b>-</b>

**As at 31st March 2018**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	31,56,832	5,90,047	25,66,785	-
<b>Total</b>	<b>31,56,832</b>	<b>8,30,728</b>	<b>25,66,785</b>	<b>-</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2019	As at 31-03-2018
Employers contribution to provident fund	8,838	8,462
Employers contribution to pension fund	5,577	5,328



## B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2018

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	57,113	47,111	51,160	45,475
Service cost	2,405	2,253	1,982	4,006
Interest expenses	4,318	3,657	3,863	3,619
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(899)	(2,775)	(916)	(454)
Remeasurements - actuarial (gains)/losses	766	6,865	(1,206)	(1,486)
<b>Benefit obligations at the end</b>	<b>63,703</b>	<b>57,113</b>	<b>54,884</b>	<b>51,160</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	48,973	37,394	48,555	31,169
Interest income	4,182	3,353	4,272	(3,072)
Employer contributions	12,706	11,808	15,923	14,924
Benefits payments from plan assets	(1,770)	(3,584)	(1,197)	(573)
Actuarial gain / (loss) on plan assets	416	1	515	(39)
<b>Benefit obligations at the end</b>	<b>64,507</b>	<b>48,973</b>	<b>68,073</b>	<b>48,555</b>

ii. Amount recognized in the Balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
PV of obligations at the end of the year	63,703	57,113	54,884	51,160
Fair value of plan assets at the end of the year	64,507	48,973	68,073	48,555



Liability (+)/Asset (-) recognised in the balance sheet	(803)	8,140	(13,189)	2,606
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**III. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Service cost	2,405	2,253	1,982	4,006
Interest expenses	136	305	(408)	547
<b>Net expense recognised</b>	<b>2,541</b>	<b>2,558</b>	<b>1,574</b>	<b>4,553</b>

**IV. Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial (gain)/losses on obligations for the period	766	6,865	(1,206)	(1,487)
Actuarial (gain)/losses on plan assets for the period	(416)	(1)	(515)	(39)
<b>Net expense recognised</b>	<b>350</b>	<b>6,864</b>	<b>(1,721)</b>	<b>(1,448)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Rate of discounting	7.67%	7.62%	7.67%	7.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

**v. Summary of Demographic Assumptions**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.15	11.69	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%





**vi. Maturity Profile of Defined Benefit Obligations:**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Expected Cash flow in year 1	30,539	25,041	26,299	22,279
Expected Cash flow in year 2	3,074	3,368	6,373	7,114
Expected Cash flow in year 3	6,190	3,649	7,166	5,901
Expected Cash flow in year 4	5,732	5,642	5,630	5,855
Expected Cash flow in year 5	6,570	5,240	5,436	4,713
Expected Cash flow in year 6	3,207	6,159	3,109	4,557
Expected Cash flow in year 7	3,895	2,942	2,972	2,535
Expected Cash flow in year 8	4,170	3,322	3,031	2,479
Expected Cash flow in year 9	1,362	3,764	1,341	2,417
Expected Cash flow in year 10	6,890	1,231	2,425	1,111

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. '000')		(% of change)	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Under Base Scenario	63,703	57,113	0.00%	0.00%
Salary Escalation - Up by 1%	66,358	59,727	4.20%	4.60%
Salary Escalation - Down by 1%	61,259	54,716	-3.90%	-4.20%
Withdrawal Rates - Up by 1%	64,133	57,550	0.70%	0.80%
Withdrawal Rates - Down by 1%	63,231	56,633	-0.80%	-0.80%
Discount Rates - Up by 1%	61,740	55,131	-3.10%	-3.50%
Discount Rates - Down by 1%	65,880	59,315	3.50%	3.90%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs. In. '000')		(% of change)	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Under Base Scenario	54,884	51,160	0.00%	0.00%
Salary Escalation - Up by 1%	56,622	52,891	3.10%	3.40%
Salary Escalation - Down by 1%	53,231	49,520	-3.00%	-3.20%
Withdrawal Rates - Up by 1%	55,050	51,333	0.30%	0.30%
Withdrawal Rates - Down by 1%	54,707	50,977	-0.30%	-0.40%
Discount Rates - Up by 1%	53,682	49,934	-2.20%	-2.40%



Discount Rates - Down by 1%	56,176	52,481	2.30%	2.60%
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#### ix. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

#### x. Liability risks

##### a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 42. Earnings per share (EPS)

Particulars	As at 31-03-2019	As at 31-03-2018
Profit after tax before exceptional items	33,18,185	17,31,017
Add: exceptional items	-	-
Profit after tax after exceptional items	33,18,185	17,31,017
Profit available for Equity Shareholders	33,18,185	17,31,017
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	52,594.57	27,484.32
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	52,594.57	27,484.32

#### 43. Related Party Transactions

##### A. List of related parties

Name of the related party	(% of holding)	
	As at 31-03-2019	As at 31-03-2018
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliyan coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%





Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited Machilipatnam Urban Development Authority Rayalaseema Steel Corporation Limited	Fellow Government company / Authority

**B. Related party transactions**

**i. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income
Andhra Pradesh granite (Midwest) private limited	-	-
Pallava red granite private limited	6,216	-
Machilipatnam Urban Development Authority	-	19,726

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,25,028
Pallava red granite private limited	41,844	35,628
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	-	1,721



**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

<b>Name of the related party</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	-

**iv. Balance during the year with related parties**

<b>Investment in subsidiaries</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Suliari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679

<b>Investment in joint ventures</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trlmex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217

<b>Investment in associates</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716



**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2019	As at 31-03-2018
Sri Ch.Venkaiah Chowdary, I.R.S	2,142	921

**vi. Loan to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
AP state fibernet limited	10,00,000	6,00,000
Machilipatnam urban development authority	20,00,000	-
Rayalaseema steel corporation limited	26,095	-

**vii. Advance to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Rayalaseema steel corporation limited	26,095	-

**44. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

Subsidiaries	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor
Andhra phosphate private limited	The company lease rights was expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliya coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Associates	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records





	available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.

Joint ventures	
Name of the joint venture	Reason
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallava red granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**45. Deferred tax asset /(liability)**

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	4,860	8,421
Provision for decommissioning asset	18,893	17,405
Property, plant and equipment	16,921	11,123
Other provisions	70,785	52,921
<b>Total deferred tax asset</b>	<b>1,11,459</b>	<b>89,870</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,563	2,538
<b>Total deferred tax liability</b>	<b>2,563</b>	<b>2,538</b>
<b>Net Deferred tax asset</b>	<b>1,08,896</b>	<b>87,333</b>

**46. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs.71,091).
- b. Amount spent during the year

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Construction/ acquisition of any assets	-	-
Purpose other than above	75,620	1,37,247

**47. Treatment demerger plan in the Books of accounts**

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.





- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC –58.32%
- TSMDC –41.68%

- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & Liabilities	Common Pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.70,97,058/- Thousands (Sweep accounts of Rs 70,715 /- and fixed deposits of Rs 70,26,343 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.Rf.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fiber Net Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines, Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lt No.Fin 21022/6/2017 -AS, II —Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2022.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fiber Net limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.



Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores has been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

During the year, APSFL has not repaid the due instalment amount of Rs.20.00 crores as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government Order (GO) M5.No 127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Advance to Rayalaseema steel corporation limited**

During the year company has paid an amount of Rs.2.61 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the AMMDC. It further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDCL and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.2.61 crores has been provided towards provision for doubtful advance.



## 51. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>

## 52. Additional Information

### 52.1 Particulars of consumption of raw material

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	18,458	100.00	22,230	100.00
<b>Total</b>	<b>18,458</b>	<b>100.00</b>	<b>22,230</b>	<b>100.00</b>

### 52.2 Particulars of consumption of stores & spares

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	15,891	100.00	8,673	100.00
<b>Total</b>	<b>15,891</b>	<b>100.00</b>	<b>8,673</b>	<b>100.00</b>

## 53. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022, due to non-completion of supplementary audit by the Comptroller of the Accounts.





and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> march, 2017, the board of directors of the company in their meeting held on 17<sup>th</sup> Sep, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2018. The reported amounts as on 31<sup>st</sup> march, 2018 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> march, 2017 and subsequent approval at annual general meeting. Necessary adjustments if any will be made in subsequent years.

#### **54. Revenue from contracts with customers**

The Company has implemented Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers w.e.f. 01st April, 2018 using the modified retrospective method of adoption. However, there is no financial implication due to implementation of the said Ind AS at present.

#### **55. Ind AS issued and not yet effective:**

##### **Ind AS 116 Leases :**

Ministry of Corporate Affairs has notified (The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia includes the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the 1st April 2019. The impact of the same is yet to be assessed. The Company is proposing to use the Modified Retrospective Approach for transitioning to Ind AS 116.

#### **56. Andhra Pradesh Granite (Midwest) Private Limited**

The joint venture company operations were affected during previous year due to failure in renewal of approved quantity laid down in environmental clearance ('EC'). During the year the company incurred loss of Rs.1,41,927/- (thousands) and its current liabilities exceeded its current assets by Rs 1,08,336/- (thousands). The company stopped production in May, 2018 and the company made full and final settlement to employees in the month of Jun, 2018. The company is likely to be liable for penalties for excess production. However, the accounts of the company for the year ended 31<sup>st</sup> March, 2019 have been prepared on Going Concern basis. The joint venture company is confident of obtaining approvals from concerned authorities for enhanced production and is likely to resume operations shortly. The auditor of the Joint venture had drawn an emphasis of matter relating to "Material Uncertainty relating to Going Concern" in their Audit Report for the year in this regard.

#### **57. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.





- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year
- d. All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

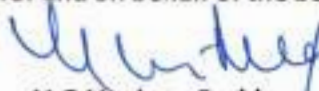
As per our report  
For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325

  
Dondeti Teja Sagar  
Partner  
Mem No.227878




Place : Visakhapatnam  
Date : November 15, 2022

for and on behalf of the board of directors

  
V.G. Venkata Reddy  
VC&MD  
DIN:08805525

  
D. Ramadevi  
Director  
DIN:08076094

  
A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: October 21, 2022

UDIN: 22227878BOI0203734



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

Report on the Audit of the Standalone Financial Statements

### Disclaimer of Opinion

We were engaged to audit the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2020, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

We do not express an opinion on accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

### Basis for Disclaimer of Opinion

- 1) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced further. during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	53,66,24,751	Cr
2	Int. on FDR's, BFs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,29,26,10,396	Cr



3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	96,05,88,230	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,77,16,901	Dr
5	Demerger Adj Alc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,10,06,81,527	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	2,18,93,95,110	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,46,17,175	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,06,98,23,137	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,59,53,935	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	37,26,68,937	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	59,65,219	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	9,38,59,941	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,29,30,827	Dr
14	Int. on Fixed Deposits	26	Other Income	45,57,34,035	Cr
15	Int. on FD kept for BG	26	Other Income	1,01,96,036	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	7,03,23,604	Cr
17	Int. on Sweep account SBI	26	Other Income	51,53,011	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,49,78,581	Dr

- i) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2020 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.
- ii) The following Ledger balances as on March 31, 2020 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2020 (In Rs.)
Adv.to EE Panch.Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,15,76,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796



Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Property, Plant and Equipment have not been physically verified during the year. Further, in respect of additions to Property, Plant and Equipment during the year, no supportings are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. The date of capitalization has been taken as 1<sup>st</sup> February 2020 for which no supporting has been provided. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.
- v) Inventories consists of Finished Goods amounting to Rs. 77,34,84,215 and Stores and Spares amounting to Rs. 1,31,36,227 as on 31<sup>st</sup> March 2020. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 47.53 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.





- viii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs. 1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.
- x) The company has Trade Receivables balance amounting to Rs. 186.76 Crores and advance from customers amounting to Rs. 8.91 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 186.76 Crores and Advance from Customers amounting to Rs. 8.91 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings. -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M Ramakrishna Reddy	90,82,476	Dr
2	Sri B. Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C.-S.C.K.C.-JV	5,42,81,279	Dr
4	Sri R V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xii) The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State FiberNet Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19 and Financial Year 2019-20 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on





initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

- xiii) The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.
- xiv) The company has accounted for interest on credit sales amounting to Rs. 3.07 crores and Penalty Receipts from buyers amounting to Rs. 0.83 crores for the financial year 2019-20. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2020 has not been recognised which is not in line with the accounting policy followed by the company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2020. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xv) Balance in Suspense Account amounting to Rs. 37,12,449 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xvi) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,
  - a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.



- b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. As per the financial statements for Financial Year 2019-20, Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology upto 31<sup>st</sup> March 2020 has been accounted for 83,07,052 MTs whereas the Total Sand Excavation Charges billed by the Contractor to the Company upto 31<sup>st</sup> March 2020 has been accounted for 76,63,936 MTs. The reason for variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- c) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometre (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Company with the Transporters. The transportation charges payable has to be derived based on the Kilometres as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometres certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometres as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. It has been informed to us that Internal Transport Charges receivable from Director of Mines and Geology are also at the same kilometres and rate per kilometre but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Internal Transportation Income has been accounted for Rs. 78,68,83,041 whereas Internal Transportation Expense has been accounted for Rs. 107,95,37,457. The reason for difference between Income and Expenditure in an Internal Transportation Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- d) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to



Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. It has been informed to us that Door Delivery Transport Charges receivable from Director of Mines and Geology are also at the same rates but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Sand Transportation Door Delivery Income has been accounted for Rs. 85,35,79,638 whereas Sand Transportation Door Delivery Expense has been accounted for Rs. 77,52,27,226. The reason for difference between Income and Expenditure in a Door Delivery Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.

- e) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supportings are not available for verification, the details of which are as follows:
- 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN.etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
  - 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.
  - 4) As per page 1 of note for approval pertaining to boatsmen society payments of the West Godavari district, 355323 MTs were dispatched from 1-10-2019 to 21-11-2019 based on a letter dated 18-11-2019 from the District Collector, West Godavari. The above quantity amounts to boatsmen excavation charges of Rs.7,49,73,153. Of the above amount Rs.5,42,34,000 was directly credited to Collectors account by Department of Mines and Geology and has been accordingly adjusted to boatsmen charges payable West Godavari. The payments for the above period were handled directly by the District Collector. The Company has not deducted statutory deductions such as TDS, TDS GST.etc. on the above payment. However, the records pertaining to the above claim including the letter received from district collector, the evidences pertaining to payments made by District Collector to Boatsmen on behalf of the company have not been provided for our verification.
  - 5) The Excavation Charges payments to Boatsmen Society in respect of the months from September 2019 to January 2020 were partly looked after by the respective District Collector. The details of such payments, the expenditure to be booked in the company books for the period looked after by District Collector and the statutory deductions on such payments such as TDS, GST TDS are not available on record.





- 6) The DSO/District Collector confirmations in respect of 745746 MT's amounting to Rs.16,16,66,674 of Sand excavated by Sand Boatmen Societies are not available on record.
- 7) As per the financial statements for Financial Year 2019-20, Agency Income on account of Excavation by Sand Boatman has been accounted for 18,95,192 MTs whereas Sand Boatmen Excavation Charges Expenses has been accounted for 14,24,707 MTs. The reason for variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatman Excavation Charges recognised in Sand Operations.

- f) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- g) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2019-20. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2020.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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



### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

### **Other Matters**

The financial statements of the Company for the year ended March 31, 2018 and March 31, 2019 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018 and March 31, 2019, the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> August 2023 approved the financial statements for the year ended March 31, 2020. Consequently, we have conducted our audit for the year ended March 31, 2020 /and March 31, 2019 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2020 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018 and March 31, 2019 and subsequent approval at the Annual General Meetings.





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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse affect on the functioning of the Company.
  - f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.
  - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 36 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S  
  
CA. D. TEJA SAGAR  
Partner  
Memb No: 227878  
UDIN: 23227878BGQLSR9421

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2020)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of Inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we are unable to comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.



- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

S.No	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Tax deducted at Source	2019-20	8,32,824
2	Central Goods and Services Tax, Act	Tax deducted at Source	2019-20	1,29,10,730
3	Income Tax Act	Tax deducted at Source	2018-19	5,01,375
4	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
5	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	90,66,196
6	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2019-20	10,57,30,693
7	Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 to 2019-20	10,65,002

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643



5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,155
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,97,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As per Notification GSR 463 (E) dated 3<sup>rd</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause (xi) of Paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) of Paragraph 3 of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.





- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of Paragraph 3 of the Order is not applicable.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325  
  
  
CA. D. TEJA SAGAR  
Partner  
Mem No :227878

UDIN: 23227878BGQLSR9421

## **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports or Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2020)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2020

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal Financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations,
  - i. The company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - ii. Periodic Reconciliation of Bank Balances have not been done.



iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.

iv. Non maintenance of registers/records such as cheque book register, fixed asset register, RG registers, EMD/PSD register, register of contractors and register of tender schedules sold.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2020 and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a Disclaimer of opinion on the standalone financial statements of the Company.

Place Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



CA. D. TEJA SAGAR  
Partner

Mem No: 227878

UDIN: 93227878BGQLSR9421

**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impalreo, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.





2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.</p>



	not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2019-20. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20



13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325  
  
CA. D. TEJA SAGAR  
Partner  
Mem. No. 227878

UDIN: 23227878 BGGLSR9421

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone Balance Sheet as at March 31, 2020**

All amounts are in thousands, unless otherwise stated

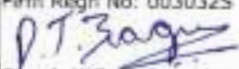
Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	7,31,580	4,80,773
Right-of-Use Assets	3	26,524	-
Capital work-in progress	3	13,630	-
Other intangible assets	3	44,541	2,894
Intangible assets under development	4	62,71,043	57,97,120
<b>Financial assets</b>			
Investments	6	11,027	11,027
Loans	5	5,95,409	8,18,727
Other financial assets	5	76,52,231	76,21,766
Deferred tax assets (net)	7	2,19,126	1,08,896
Non-current tax assets	8	6,95,414	6,57,629
Other non-current assets	9	29,76,834	23,61,501
<b>Total Non-current assets</b>		<b>1,97,25,958</b>	<b>1,78,62,747</b>
<b>Current assets</b>			
Inventories	10	7,85,821	9,20,547
<b>Financial assets</b>			
Trade receivables	11	14,89,634	14,15,106
Cash and cash equivalents	12	17,10,993	6,17,955
Other bank balances	12	5,53,894	-
Loans	13	30,47,268	27,01,627
Other financial assets	14	4,99,805	2,47,930
Other current assets	15	7,53,239	3,54,484
<b>Total Current assets</b>		<b>83,40,674</b>	<b>57,68,018</b>
<b>TOTAL ASSETS</b>		<b>2,80,66,632</b>	<b>2,36,30,765</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Entity share capital	16	65,062	59,062
Other equity	17	1,70,55,799	1,86,11,929
<b>Total Equity</b>		<b>1,77,10,861</b>	<b>1,86,76,891</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	30,73,173	27,81,670
Provisions	19	1,06,041	54,766
Other non-current liabilities	20	25,432	79,223
<b>Total Non-current liabilities</b>		<b>32,04,646</b>	<b>29,14,968</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	8,64,306	1,24,687
Other financial liabilities	22	8,74,948	5,59,264
Other current liabilities	23	4,84,221	5,93,502
Current tax liabilities	24	5,69,635	7,31,246
<b>Total Current liabilities</b>		<b>27,93,110</b>	<b>20,08,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,80,66,632</b>	<b>2,36,30,765</b>

Notes to financial statements

1-58

The accompanying notes are an integral part of these standalone financial statements

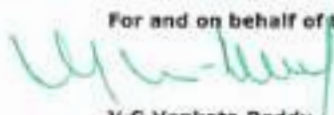
As per our report

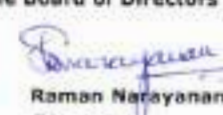
For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878




UDIN: 23227878BGA LSR9421

For and on behalf of the Board of Directors

  
**V.G.Venkata Reddy**  
VC & MD  
DIN: 08805525

  
**Ramon Narayanan**  
Director  
DIN: 10267130

  
**A.Nageswara Reddy**  
General Manager - F&A

Place : Vijayawada  
Date : August 22, 2023



Place : Visakhapatnam  
Date : 22nd September 2023



The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone Statement of Profit and Loss for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	25	1,32,96,911	86,21,521
Other income	26	7,75,977	7,86,188
<b>Total Income</b>		<b>1,40,72,888</b>	<b>94,07,709</b>
<b>Expenses</b>			
Cost of materials consumed	27	8,191	18,458
Change in inventories of finished goods	28	1,40,945	(88,437)
Employee benefits expense	29	3,37,799	3,97,585
Finance costs	30	11,098	38,703
Depreciation and amortization expense	31	81,561	56,901
Power and fuel	32	41,748	54,483
Excavation & transport charges	33	26,13,136	17,13,825
Other Expenses	34	60,92,311	19,17,063
<b>Total Expenses</b>		<b>93,26,787</b>	<b>41,08,580</b>
<b>Profit before exceptional items and tax</b>		<b>47,46,101</b>	<b>52,99,129</b>
<b>Add - Exceptional items (Net)</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>47,46,101</b>	<b>52,99,129</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	35	14,14,594	19,88,986
Deferred tax	35	(1,10,184)	(21,588)
<b>Total tax expense/ (benefit)</b>		<b>13,04,409</b>	<b>19,67,398</b>
<b>Profit for the year from continuing operations</b>		<b>34,41,691</b>	<b>33,31,731</b>
Profit from discontinuing operations		-	-
Less - Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year [A]</b>		<b>34,41,691</b>	<b>33,31,731</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		3,279	1,371
Income tax on above items		46	(25)
<b>Total other comprehensive income for the year [B]</b>		<b>3,325</b>	<b>1,346</b>
<b>Total comprehensive income for the year [A+B]</b>		<b>34,45,016</b>	<b>33,33,078</b>
<b>Earnings per equity share (in Rs) -</b> <b>[Nominal value of share Rs.1000 /-]</b>			
• Basic	41	54,576.32	52,832.59
• Diluted		54,576.32	52,832.59
<b>Notes to financial statements</b>	<b>1-58</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*P.T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No.227878



*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

*Raman Narayanan*  
 Raman Narayanan  
 Director  
 DIN: 10267130

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A



UDIN: 23227878B6QLSR9421

Place : Vijayawada  
 Date : August 22, 2023

Place: Visakhapatnam  
 Date: 22nd September 2023



## Statement of Changes in equity for the year ended March 31, 2020

Balance Sheet as at March 31, 2020

## A. Equity share capital

Particulars	No. of Shares	(Rs. in '000's)
Balance as at April 1, 2019	63,062	63,062
Changes in equity share capital during 2019-20		
Balance as at April 1, 2019	63,062	53,062
Changes in equity share capital during 2019-20		
Balance as at March 31, 2020	63,062	53,062

## B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserve (General reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actual Gain/Loss reserve	Deferred tax on OCI items	
Balance as at April 1, 2019	11,000	81,560	17,04,961	1,34,83,233	(5,637)	3,251	2,406	1,52,80,754
Profit for the year	-	-	-	33,31,731	-	-	-	33,31,731
Other comprehensive income for the year	-	-	-	-	-	1,370	(25)	1,345
Total comprehensive income for the year	-	-	-	33,31,731	-	1,370	(25)	33,31,731
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	5,417	(5,417)	-
Balance as at March 31, 2019	11,000	81,108	17,04,961	1,68,15,414	(5,637)	10,039	(3,036)	1,86,13,829
Adjustment for lease rentals under IND AS - 116	-	-	-	(3,048)	-	-	-	(3,048)
Balance as at April 01, 2019	11,000	81,108	17,04,961	1,65,12,366	(5,637)	10,039	(3,036)	1,83,10,781
Profit for the year	-	-	-	14,41,692	-	-	-	14,41,692
Other comprehensive income for the year	-	-	-	-	-	3,279	46	3,325
Total comprehensive income for the year	-	-	-	14,41,692	-	3,279	46	14,41,692
Transfer to reserve for bad and doubtful debts	-	4,248	-	(4,248)	-	-	-	-
Balance as at March 31, 2020	11,000	85,356	17,04,961	2,02,49,813	(5,637)	13,318	(2,990)	2,20,55,798

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

P. T. Sagar  
Dandeti Teja Sagar  
Partner

Mem No. 227878



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

A. Nageswara Reddy  
General Manager - F&A

Raman Narayanan  
Director  
DIN: 00257130



UDIN: 23227878BGLSR9421

Place: Vijayawada  
Date: August 22, 2021

Place: Visakhapatnam  
Date: 22nd September 2023

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone Cash flow statement for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from Operating Activities</b>		
Profit before tax from continuing operations	47,46,103	52,99,127
Adjustments for:		
Interest expense	1,186	34,477
Reversing of discounting on provisions	9,912	3,777
Interest income	(6,81,802)	(7,59,511)
Depreciation and amortization expense	81,561	55,903
Provision for bad & doubtful debts	3,20,300	20,542
Provision for bad & doubtful advances	2,22,925	30,838
Liabilities no longer required written back	(46,501)	(4,638)
<b>Operating profit before working capital changes</b>	<b>46,53,592</b>	<b>46,81,108</b>
Adjustments for:		
Increase/(decrease) in trade payables	5,55,140	155,974
Increase/(decrease) in provisions	91,934	(4,739)
Increase/(decrease) in other financial liabilities	5,65,210	6,18,258
Increase/(decrease) in other liabilities	(1,82,871)	(863)
Decrease/(increase) in trade receivables	(3,94,430)	(12,650)
Decrease/(increase) in inventories	1,34,726	(83,636)
Decrease/(increase) in other assets	(7,26,612)	(5,49,021)
Decrease/(increase) in other financial assets	(5,80,721)	(4,51,594)
<b>Cash generated from operations</b>	<b>42,35,008</b>	<b>41,41,449</b>
Direct taxes paid (net of refunds)	17,73,990	14,95,417
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>24,61,018</b>	<b>26,46,032</b>
<b>Cash flow from Investing activities</b>		
Profit after tax for the year (B)	(8,65,267)	(29,13,104)
Movements in other bank balance	(5,53,894)	24,14,702
Loans repaid / Given to parties	(5,96,500)	(24,00,000)
Loans repaid / Given to self	(33,853)	(4,869)
Interest received	6,91,802	7,59,911
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(13,59,707)</b>	<b>(21,43,361)</b>
<b>Cash flow from Financing activities</b>		
Interest paid	(1,186)	(34,477)
Payment of lease liability	(8,662)	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(9,249)</b>	<b>(34,477)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,93,063</b>	<b>4,68,234</b>
Cash and cash equivalents at the beginning of the year	6,17,930	1,49,695
<b>Cash and cash equivalents at the end of the year</b>	<b>17,10,993</b>	<b>6,17,930</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	609	104
Balances with scheduled banks		
With Current Accounts	17,10,383	6,17,825
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>17,10,993</b>	<b>6,17,930</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the Indirect method as set out in Ind AS - 7

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*D. T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No. 227878



V.G.Venkata Reddy  
 VC & MD  
 DIN: 08805525

Raman Narayanan  
 Director  
 DIN: 10267130

A.Nageswara Reddy  
 General Manager - F&A

UDIN: 23227878B6QLSR9421

Place: Vijayawada  
 Date: August 22, 2023



Place: Visakhapatnam  
 Date: 22nd September 2023

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh- 521137

### 2. Significant Accounting Policies

#### a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 as amended and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.





An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.





#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.



Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).



Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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



The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

##### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

##### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.





**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.





**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-



- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.

#### **r. Leases**

The company has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for Buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- The contract involves the use of identified asset.
- The company has substantially all of the economic benefits from use of the asset through the period of lease and
- The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.



The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.



**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.





**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.





## **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

## **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

## **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

## **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

## **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:



- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of Use assets for the year ended March 31, 2020

Note -3

Particulars	Gross block				Accumulated Depreciation/Amortisation			Net block		
	Cost as at April 1, 2019	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2020	Net Block as at March 31, 2020	Net Block as at March 31, 2019
Free hold land	2,78,926	1,412	-	2,80,337	-	-	-	-	2,80,337	2,78,926
Buildings	43,547	155	-	43,702	15,184	3,798	-	19,982	23,720	22,363
Plant and machinery	1,78,014	1,21,509	-	2,99,523	66,865	28,810	-	95,675	2,03,848	1,11,149
Furniture & fixtures	17,180	1,848	-	19,028	6,278	3,145	-	9,423	9,603	10,902
Vehicles	9,146	10,452	-	19,598	7,091	1,946	-	9,037	10,562	2,055
Office equipment	21,197	2,79,660	-	2,00,857	12,836	18,159	-	31,005	1,69,852	8,361
Mining and equipment	68,797	2,104	-	70,901	40,919	6,413	-	45,732	24,169	28,478
Data processing equipment	15,035	7,440	-	18,475	13,076	1,772	-	14,848	3,627	1,959
Tent & huts	2,934	197	-	3,131	2,649	141	-	2,790	301	285
Lease hold improvements	29,679	771	-	30,450	13,384	6,146	-	19,530	5,920	11,295
<b>Total</b>	<b>6,59,454</b>	<b>3,21,548</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>70,340</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,773</b>
Less: Depreciation capitalised during the year						475				
<b>Total</b>	<b>6,59,454</b>	<b>3,21,548</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>69,865</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,773</b>
Previous year - 2018-19	5,61,413	1,01,271	3,230	6,59,454	1,25,449	56,462	3,230	1,78,681	4,80,773	4,35,964
<b>LEASED ASSETS</b>	Addition on account of Transition to Ind AS 116 - at April 1, 2019	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2020	Net Block as at March 31, 2020	Net Block as at March 31, 2019
Right of use asset	24,478	8,813	-	33,289	-	8,765	-	8,765	24,524	-
<b>Total</b>	<b>24,478</b>	<b>8,813</b>	<b>-</b>	<b>33,289</b>	<b>-</b>	<b>8,765</b>	<b>-</b>	<b>8,765</b>	<b>24,524</b>	<b>-</b>
<b>Other Intangible Assets</b>										
<b>Particulars</b>	<b>Cost as at April 1, 2019</b>	<b>Additions</b>	<b>Disposals/ adjustments/ transfer</b>	<b>Cost as at March 31, 2020</b>	<b>Accumulated Depreciation as at April 1, 2019</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2020</b>	<b>Net Block as at March 31, 2020</b>	<b>Net Block as at March 31, 2019</b>
Computer software	3,353	-	-	3,353	2,163	865	-	2,630	723	1,188
Mining Property	1,976	44,578	-	46,554	270	2,466	-	2,736	43,818	1,705
<b>Total</b>	<b>5,329</b>	<b>44,578</b>	<b>-</b>	<b>49,907</b>	<b>2,433</b>	<b>2,931</b>	<b>-</b>	<b>5,366</b>	<b>44,541</b>	<b>2,894</b>
Previous year - 2018-19	5,157	172	-	5,329	1,612	823	-	2,835	2,894	3,545
<b>Exploration Intangible assets under development</b>	<b>57,97,120</b>	<b>4,73,923</b>	<b>-</b>	<b>62,71,043</b>					<b>62,71,043</b>	<b>57,97,120</b>
Previous year - 2018-19	29,72,252	28,24,869	-	57,97,120	-	-	-	-	57,97,120	29,72,252
<b>Capital work in progress</b>		<b>13,830</b>	<b>-</b>	<b>13,830</b>					<b>13,830</b>	
Previous year - 2018-19	12,822	-	12,822	-	-	-	-	-	-	12,822

The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to consolidated financial statements for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2020	March 31, 2019
	Investment in subsidiary companies		
	i. M/s APMDCL SCC, a private company limited		
	5,100 equity shares (March 31, 2019: 5,100) of Rs 10/- each		
	Fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s Mangam steel company limited		
	1,950 equity shares (March 31, 2019: 3,000) of Rs 100/- each		
	Fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s Ongole iron ore mining privately private limited		
	55,100 equity shares (March 31, 2019: 55,100) of Rs 10/- each		
	Fully paid up	551	551
	Less: Provision made for diminution in the value of shares	(551)	(551)
	iv. M/s Andhra phosphate private limited		
	1,110 equity shares (March 31, 2019: 1,110) of Rs 100/- each		
	Fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in Associates		
	v. M/s. Asaram mineral development projects limited,		
	65,000 equity shares (March 31, 2019: 65,000) of Rs 10/- each		
	Fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s NMR mineral mine limited		
	3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs 10/- each		
	Fully paid up	3,250	3,250
	Profit after tax for the year (A)	(3,250)	(3,250)
	vii. M/s. Asham minerals exports private limited		
	1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs 10/- each		
	Fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Isp. minerals exports private limited		
	1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs 10/- each		
	Fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangrove products private limited		
	1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs 10/- each		
	Fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited		
	3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs 10/- each		
	Fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RLP granite products limited		
	3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs 10/- each		
	Fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s A.P. concept gases & metals private limited		
	13,000 equity shares (March 31, 2019: 13,000) of Rs 10/- each		
	Fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s Andhra Pradesh industrial mining private limited		
	28,600 equity shares (March 31, 2019: 28,600) of Rs 10/- each		
	Fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)
	Investment in joint ventures		
	xiv. M/s A.P. granite (exports) private limited		
	11,00,000 equity shares (March 31, 2019: 11,00,000) of Rs 10/- each		
	Fully paid up	11,000	11,000
	xv. M/s. A.P. black granite granite private limited		
	11,00,000 equity shares (March 31, 2019: 11,00,000) of Rs 10/- each		
	Fully paid up	11,000	11,000
	Less: Provision made for diminution in the value of shares	(11,000)	(11,000)







7	Deferred tax asset (Net)	As at March 31, 2021	As at March 31, 2019
	Deferred tax asset		
	Property, plant & equipment	4,199	16,813
	Impact of expense being charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	2,335	4,860
	Provision for doubtful debts on goods	24,686	18,193
	Provision for doubtful debts on advances	662	
	Provision for bad & doubtful debts, investments & advances	1,37,456	70,785
	Total Deferred tax asset	2,23,648	1,13,489
	Deferred tax liability		
	Investment	(2,517)	(2,561)
	Total deferred tax liability	(2,517)	(2,561)
	Net Deferred tax asset	2,19,135	1,08,895
8	Non-current tax assets	As at March 31, 2020	As at March 31, 2019
	Income Tax		
	Corporate tax receivable	6,57,414	6,57,629
	Total	6,57,414	6,57,629
9	Other non-current assets	As at March 31, 2020	As at March 31, 2019
	A) Capital advances		
	Unsecured, considered good	2,35,387	2,35,387
	Unsecured, considered doubtful	26,023	26,023
	Provision for doubtful advances	(26,023)	(26,023)
		2,35,387	2,35,387
	B) Advances other than capital advances		
	Unsecured, considered good	11,90,134	12,38,340
	Unsecured, considered doubtful	88,894	95,631
	Less: Provision for doubtful advances	(88,894)	(95,631)
		13,90,334	14,38,340
	C) Others - Specified		
	Unsecured, considered good	13,45,856	8,80,236
	Unsecured, considered doubtful	1,98,875	10,537
	Less: Provision for doubtful advances	(1,98,875)	(10,537)
	Unpaid expenses	658	4,018
		13,46,514	8,84,774
	Total	29,76,834	23,62,901
10	Inventories	As at March 31, 2020	As at March 31, 2019
	Finished Goods	7,73,434	9,34,424
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	33,136	6,988
	Total	7,73,871	9,29,547



31	Trade receivables (Current)	As at March 31, 2020	As at March 31, 2019
	Unsecured, considered good	14,89,634	14,35,524
	Unsecured, considered credit impaired	1,77,960	1,1,119
	Less: Impairment allowance for doubtful debts	(3,77,950)	(57,639)
	Total	14,89,634	14,89,504
32	Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
	Cash and cash equivalents		
	Balance with banks:		
	in current accounts	17,30,385	5,37,826
	Cash on hand	629	104
	(A)	17,31,014	5,37,930
	Other bank balances:		
	Fixed deposits with maturity > 12 months but < 36 months	5,55,894	-
	(B)	5,55,894	-
	Total	22,86,908	5,37,930
33	Loans (current)	As at March 31, 2020	As at March 31, 2019
	Loans to others:		
	Unsecured, considered good		
	Loan to AP State Paperies Limited & Madhavaram Jyoti		
	Development Authority Refer 4057 AR & 43	24,50,000	22,00,000
	Other's Ref: Mulo 52	5,36,500	-
	Loans and Advances to Employees		
	Unsecured, considered good	1,622	1,622
34	Other financial assets (Current)	As at March 31, 2020	As at March 31, 2019
	Deposit with others:		
	Unsecured, considered good	-	50
	Advances receivable in cash		
	Unsecured, considered good	1,119	-
	Interest earned on deposits		
	Unsecured, considered good	4,36,490	2,41,890
	Unsecured, considered doubtful	24,318	24,318
	Less: Provision made	(24,318)	(24,318)
	Total	4,38,891	2,41,930
35	Other current assets	As at March 31, 2020	As at March 31, 2019
	A) Advances recoverable		
	Unsecured, considered good	37,302	8,319
		37,302	8,319
	B) Others - Specified		
	Unsecured, considered good		
	Balance with statutory authorities	1,26,532	7,98,650
	Prepaid expenses	50,748	42,003
	Others	18,556	14,555
	Total	2,13,138	8,54,427



26	Equity Share Capital	As at March 31, 2020	As at March 31, 2019
Authorized share capital: 2,00,000 equity shares of Rs.1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs.1000/- each)		2,00,000	2,00,000
		2,00,000	2,00,000
Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs.1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs.1000/- each)		63,062	63,062
		63,062	63,062
<b>16.1 Additional notes</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
Particulars	As at March 31, 2020	As at March 31, 2019	
Shares outstanding at the beginning of the year	63,062	63,062	
Shares issued during the year			
Shares outstanding at the end of the year	63,062	63,062	
<b>16.2 Rights, preferences and restrictions attached to Equity Shares</b>			
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholder.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
Name of the share holder	As at March 31, 2020	As at March 31, 2019	
Governer of the Andhra Pradesh, represented by Assistant Secretary to Government (Income Tax) & R. Co-operation department	63,062 (100%)	63,062 (100%)	
<b>17 Other equity</b>			
Capital Reserves	As at March 31, 2020	As at March 31, 2019	
Free Res. equity shares for consideration other than cash allotted to:			
i. M/s. Ajantha Minerals Development private limited, 65,000 equity shares (March 31, 2019: 65,000) of Rs. 10/- each fully paid up	650	650	
Less: Provision made for diminution in the value of shares	(650)	(650)	
ii. M/s. SRRP mineral mining limited 3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250	
Less: Provision made for diminution in the value of shares	(3,250)	(3,250)	
iii. Ashram minerals exports private limited 1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300	
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)	
iv. M/s. Ashra's exports private limited 1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300	
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)	
v. Mangaraj granites private limited 1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300	
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)	
vi. Dngole minerals exports private limited 1,25,000 equity shares (March 31, 2019: 1,25,000) of Rs. 20/- each fully paid up	2,500	2,500	
Less: Provision made for diminution in the value of shares	(2,500)	(2,500)	



vi. R.P. granites private limited 3,25,000 equity shares/March 31, 2019: 3,25,000 of Rs. 10/- each fully paid up	3,250	3,250
Less: Provision made for diminution in the value of shares	(1,290)	(1,250)
vi. M/s. A.P. granites (midwest) private limited 11,00,000 equity shares/March 31, 2019: 11,00,000 of Rs. 10/- each fully paid up	11,000	11,000
ix. M/s. Akshara A.P. clark granite granites private limited 11,00,000 equity shares/March 31, 2019: 11,00,000 of Rs. 10/- each fully paid up	11,000	11,000
Less: Provision made for diminution in the value of shares	(11,000)	(11,000)
x. M/s. Pithavara granites private limited 1,10,000 equity shares/March 31, 2019: 1,10,000 of Rs. 100/- each fully paid up	11,000	11,000
Less: Provision made for diminution in the value of shares	(11,000)	(11,000)
xi. M/s. A.P. essential sands & metals private limited 1,10,000 equity shares/March 31, 2019: 1,10,000 of Rs. 10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xii. M/s. Ganga iron ore mining company private limited 56,100 equity shares/March 31, 2019: 56,100 of Rs. 10/- each fully paid up	561	561
Less: Provision made for diminution in the value of shares	(561)	(561)
xiii. M/s. Laxmi A.P. granite benicholapur private limited 1,320 equity shares/March 31, 2019: 1,320 of Rs. 10/- each fully paid up	13	13
Less: Provision made for diminution in the value of shares	(13)	(13)
xiv. M/s. Andhra bharati corporation private limited 8,52,500 equity shares/March 31, 2019: 8,52,500 of Rs. 10/- each fully paid up	8,525	8,525
Less: Provision made for diminution in the value of shares	(8,525)	(8,525)
xv. M/s. Andhra Pradesh iron ore company limited 4,850 equity shares/March 31, 2019: 4,850 of Rs. 10/- each fully paid up	50	50
Less: Provision made for diminution in the value of shares	(50)	(50)
xvi. M/s. Tiltmash granite private limited 4,50,000 equity shares/March 31, 2019: 4,50,000 of Rs. 10/- each fully paid up	4,500	4,500
Less: Provision made for diminution in the value of shares	(4,500)	(4,500)
xvii. M/s. V.V. granite private limited 1,100 equity shares/March 31, 2019: 1,100 of Rs. 100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
	<b>13,000</b>	<b>13,000</b>
<b>Other comprehensive income</b>		
Opening balance	1,346	-
Other comprehensive income for the year	1,375	1,346
Add/(Less): Transferred from/(to) retained earnings	-	-
Closing balance	<b>4,673</b>	<b>1,346</b>
<b>Reserve for bad and doubtful debts</b>		
Opening balance	81,108	81,500
Add/(Less): Transferred from/to profit and loss account	4,248	(452)
Closing balance	<b>85,356</b>	<b>81,048</b>
<b>General Reserve</b>		
Opening balance	17,04,961	17,04,961
Impact of transfer to Ind AS 136	(1,04,961)	-
Closing balance	<b>17,01,939</b>	<b>17,04,961</b>



Retained Earnings		
Closing balance	1,68,15,413	1,39,89,353
Add/(Less) Profit for the year	28,41,693	39,31,729
	2,32,57,106	1,68,15,413
Less: Appropriations		
Reserve for bad and doubtful debts	8,248	(452)
Total appropriations	8,248	(452)
Closing balance	2,32,52,857	1,68,15,413
Total	2,32,52,857	1,68,15,413

#### Nature and purposes of reserves

##### General Reserve

General reserve is created by the company by appropriating the balance of Retained earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business expansion, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debts.

##### Retained earnings

Retained earnings are the profits that the company has earned in a year, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	Other Financial Assets (Non-current)	As at March 31, 2020	As at March 31, 2019
	Expenses payable against infrastructure development	68,318	54,172
	Deposits	17,280	17,280
	Others	29,87,184	27,30,238
	Total	30,72,782	27,81,690

19	Provisions (Non-current)	As at March 31, 2020	As at March 31, 2019
	Provision for Others		
	Provision for decommissioning cost	1,36,043	54,055
	Total	1,36,043	54,055

20	Other Non-current liabilities	As at March 31, 2020	As at March 31, 2019
	Others		
	Statutory liabilities	25,432	29,235
	Total	25,432	29,235

21	Trade payables (Current)	As at March 31, 2020	As at March 31, 2019
	Trade payables		
	Debt of micro enterprises and small enterprises		
	Debt of creditors other than micro enterprises and small enterprises	1,54,306	1,81,637
	Total	1,54,306	1,81,637

Micro and small enterprises under the micro and small enterprises development Act, 2005 (MSME Act), have been identified based on the information available with the company and the required disclosures are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
a) Principal amounts and interest due thereon		
b) Interest paid in terms of section 16 of MSME Act		
c) Interest due and payable for the period of delay excluding interest specified under MSME Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSME Act 2006		

Since the micro and small enterprises have been determined to the extent, such details have been identified on the basis of information collected by the management.





22	Other financial liabilities (Current)		As at	As at
			March 31, 2020	March 31, 2019
	Salaries & other benefits payable		15,542	79,163
	Gifted money and security deposits from customers		281,373	305,724
	Other payables		5,24,181	233,381
	Total		8,24,945	3,54,769
23	Other current liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Advance from customers		89,328	3,64,327
	Security liabilities		3,92,391	2,28,374
	Liability Reserve/Suspense		3,117	-
	Total		4,84,836	5,92,701
24	Current tax liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Provision for income tax		5,69,635	7,21,240
	Total		5,69,635	7,21,240



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to standalone financial statements for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

25	Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
	Sale of products	1,00,28,744	85,76,488
	Sale of services		
	Agency Services including transportation	31,19,243	-
	Others	1,48,974	45,332
	<b>Total</b>	<b>1,32,96,911</b>	<b>86,21,821</b>
26	Other Income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest Income		
	Bank deposits	6,26,125	6,25,728
	Others	811	287
	Others	55,366	1,33,836
	Other non operating income		
	Rent receipts	661	721
	Forfeiture of security deposit	1,500	18,000
	Sale of tender documents	4,584	7,752
	Liabilities no longer required written back	46,590	4,638
	Penalties on buyers and sellers	8,370	-
	Other miscellaneous income	32,070	656
	<b>Total</b>	<b>7,75,977</b>	<b>7,86,188</b>
27	Profit after tax for the year (A)	For the year ended March 31, 2020	For the year ended March 31, 2019
	Packing material	8,191	18,458
	<b>Total</b>	<b>8,191</b>	<b>18,458</b>
28	Changes in inventories of finished goods	For the year ended March 31, 2020	For the year ended March 31, 2019
	a) Opening stock of Finished Goods	9,14,429	8,25,992
		9,14,429	8,25,992
	b) Closing stock of Finished Goods	7,73,484	7,14,429
		7,73,484	7,14,429
	<b>Changes in Inventories of Finished Goods</b>	<b>1,40,945</b>	<b>(88,437)</b>
29	Employee benefit expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Salaries and wages	7,64,365	8,20,655
	Contribution to provident fund and other funds	48,443	53,950
	Staff welfare expenses	24,997	24,980
	<b>Total</b>	<b>8,37,805</b>	<b>8,99,585</b>
30	Finance costs	For the year ended March 31, 2020	For the year ended March 31, 2019
	Unwinding of discount on provision	9,917	4,226
	Interest	1,185	34,477
	<b>Total</b>	<b>11,098</b>	<b>38,703</b>



31	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Depreciation of Plant, Property and Equipment	72,330	56,157
	Amortization of intangible assets	465	744
	Depreciation on Right of use assets	8,765	-
	<b>Total</b>	<b>81,561</b>	<b>56,901</b>
32	<b>Power and fuel</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Power and fuel	41,748	54,483
	<b>Total</b>	<b>41,748</b>	<b>54,483</b>
33	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Excavation & transport charges for run of mine	3,14,964	3,87,895
	Excavation & transport charges for over-burden	22,78,171	14,25,930
	<b>Total</b>	<b>26,13,135</b>	<b>17,13,825</b>
34	<b>Other expenses</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Rents	2,581	12,264
	Repairs & maintenance	10,176	15,891
	Insurance	1,153	943
	Rates and taxes		
	Royalty	8,62,948	7,16,367
	DMF	2,54,332	2,14,909
	NMET	16,955	14,327
	Cess	53,156	46,576
	Other Rates and Taxes	2,46,764	1,31,869
	Other expenses		
	Operating expenses	30,055	30,771
	Expenses for agency services	30,50,874	-
	Discount on sales	82,485	-
	Freight charges	19,140	37,275
	Transport and Weagon loading charges	74,684	91,524
	Selling expenses	96,039	28,574
	New project expenses	3,945	1,534
	Office & general expenses	76,488	67,763
	Payment to auditors (refer note no 34.1)	750	750
	Audit fee for other auditors	450	430
	Printing & stationery	7,740	3,730
	Corporate social responsibility expenses	73,384	75,670
	Remuneration to out sourced services	4,67,323	2,61,117
	Provision for doubtful debts	1,20,300	20,542
	Provision for doubtful advances	2,24,975	30,838
	Data processing charges	7,731	1,542
	Rehabilitation expenses	12,834	9,635
	Donations	13	1,00,000
	Miscellaneous expenditure	614	2,885
	<b>Total</b>	<b>60,92,311</b>	<b>19,17,063</b>



34.1	Payment to Auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
	Statutory audit fee	750	750
	<b>Total</b>	<b>750</b>	<b>750</b>

### 35 Income Tax

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
Current income tax charge	14,14,594	19,88,586
<b>Total (a)</b>	<b>14,14,594</b>	<b>19,88,586</b>
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(1,10,184)	(21,588)
<b>Total (b)</b>	<b>(1,10,184)</b>	<b>(21,588)</b>
<b>Total</b>	<b>13,04,409</b>	<b>19,67,398</b>

### Other comprehensive income

Items that will not be reclassified to P&L	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of Defined Benefit Plan Loss/Gain		
Gratuity	970	(350)
Leave encashment	2,309	1,721
Deferred tax on above items	46	(25)
<b>Total</b>	<b>3,325</b>	<b>1,346</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) before tax as per statement of profit and loss	47,06,131	52,99,129
Applicable tax rate as enacted by the relevant finance Act	25.168 %	34.944 %
Computed Tax Expense	11,94,439	18,51,728
Tax effect of:		
i) Deferred tax related adjustment including impact on deferred tax for the year due change in applicable tax rate	(1,10,184)	(21,588)
ii) Adjustment due to expenses not considered under T Act		
a) CSR Expenditure	18,394	26,425
b) Change in Depreciation	5,418	6,180
c) Provision for doubtful items	1,36,714	17,954
d) Other items	59,564	86,760
<b>Total Income Tax expense for the year</b>	<b>13,04,409</b>	<b>19,67,398</b>



**36.Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2020	As at 31.03.2019
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.85 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Baryles Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.100 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTU<sup>2</sup> Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		





	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>51,36,610 8,94,026</p>	<p>43,73,675 7,62,935</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2018-19, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



C	Capital commitments in respect of unexecuted contracts	-	15,128
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In absence of data relating to Issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2015-2020, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	97	335
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	503	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
Less: Share of TSMDC		-	(31,104)	-
Share of APMDC		-	46,860	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,712	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,027	-	11,027
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and Cash equivalents	-	-	17,10,993	-	17,10,993
Other Bank balances	-	-	5,53,894	-	5,53,894
Other Financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,044</b>	-	<b>1,58,60,281</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>

As at 31st March, 2019

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,027	-	11,027
Loans	-	5,802	30,14,542	-	30,20,344
Trade receivables	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	-	-	6,17,930	-	6,17,930
Other Financial assets	-	-	78,71,316	-	78,71,316
<b>Total</b>	-	<b>5,802</b>	<b>1,29,30,319</b>	-	<b>1,29,36,121</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	1,84,687	1,84,687
Other financial liabilities	-	-	-	33,40,939	33,40,939
<b>Total</b>	-	-	-	<b>35,25,626</b>	<b>35,25,626</b>



### 38. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined / modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2019-20	2018-19
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	57,659
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	57,659
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2019-20	2018-19
Ageing	<12 Months	<12 Months
Gross carrying amount	14,89,634	14,15,504
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,89,634	14,15,504

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### 1. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2019-20	2018-19
Selling price increase by 5%		
Barytes	5,08,883	4,31,076
Agency services	1,55,962	-
Selling price decrease by 5%		
Barytes	(5,08,883)	(4,31,076)
Agency services	(1,55,962)	-



**b. Packing material price risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name.				
Packing material	(410)	410	(993)	993

**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for run of mine	(16,748)	16,748	(19,395)	19,395
Excavation & Transport Charges for Overburden	(1,13,909)	1,13,909	(66,296)	66,296

**39. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2020**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>





As at 31st March 2019

As at 31st March 2017				
Particulars	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities.</b>				
Trade payables	1,84,687	1,84,687	1,84,687	-
Non-current financial liabilities	27,81,670	27,81,670	-	27,81,670
Current financial liabilities	5,59,269	5,59,269	5,59,269	-
<b>Total</b>	<b>35,25,626</b>	<b>35,25,626</b>	<b>7,43,956</b>	<b>27,81,670</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2020	As at 31-03-2019
Employers contribution to provident fund	8,919	8,838
Employers contribution to pension fund	5,442	5,577

##### B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019

Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	63,703	57,113	54,884	51,160
Service cost	2,362	2,405	2,072	1,982
Interest expenses	4,467	4,328	4,027	3,863
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(10,930)	(899)	(4,717)	(916)
Remeasurements - actuarial (gains)/losses	(563)	766	(2,074)	(1,206)
<b>Benefit obligations at the end</b>	<b>59,039</b>	<b>63,703</b>	<b>54,194</b>	<b>54,884</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	64,506	48,973	68,073	48,555
Interest income	4,683	4,182	5,807	4,272
Employer contributions	4,026	12,706	19,992	15,923
Benefits payments from plan assets	(12,259)	(1,770)	(5,243)	(1,197)
Actuarial gain / (loss) on plan assets	406	416	235	515
<b>Benefit obligations at the end</b>	<b>61,363</b>	<b>64,507</b>	<b>88,864</b>	<b>68,073</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
PV of obligations at the end of the year	59,039	63,703	54,194	54,884
Fair value of plan assets at the end of the year	61,363	64,507	88,864	68,073
Liability (+)/Asset (-) recognised in the balance sheet	(2,324)	(803)	(34,670)	(13,189)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Service cost	2,362	2,405	2,072	1,982
Interest expenses	(216)	136	(1,778)	(408)
<b>Net expense recognised</b>	<b>2,146</b>	<b>2,541</b>	<b>294</b>	<b>1,574</b>



iv. Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Actuarial (gain)/losses on obligations for the period	(563)	766	(2,074)	(1,206)
Actuarial (gain)/losses on plan assets for the period	(406)	(416)	(235)	(515)
Net expense recognised	(970)	350	(2,309)	(1,721)

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Rate of discounting	6.62%	7.67%	6.62%	7.67%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.42	11.15	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Expected Cash flow in year 1	22,239	30,539	22,842	26,299
Expected Cash flow in year 2	6,477	3,074	8,451	6,373
Expected Cash flow in year 3	5,995	6,190	6,726	7,166
Expected Cash flow in year 4	6,801	5,732	5,548	5,630
Expected Cash flow in year 5	2,474	5,570	3,706	5,435
Expected Cash flow in year 6	4,062	3,207	3,546	3,109
Expected Cash Flow in year 7	4,467	3,895	3,611	2,972
Expected Cash flow in year 8	1,461	4,170	1,646	3,031
Expected Cash flow in year 9	7,323	1,362	2,922	1,341
Expected Cash flow in year 10	2,761	6,890	1,400	2,425



**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs.in. '000')		(% of change)	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Under Base Scenario	59,039	63,703	0.00%	0.00%
Salary Escalation - Up by 1%	61,802	66,358	4.70%	4.20%
Salary Escalation - Down by 1%	56,512	61,259	-4.30%	-3.90%
Withdrawal Rates - Up by 1%	59,362	64,133	0.50%	0.70%
Withdrawal Rates - Down by 1%	58,682	63,231	-0.60%	-0.80%
Discount Rates - Up by 1%	56,933	61,740	-3.60%	-3.10%
Discount Rates - Down by 1%	61,386	65,880	4.00%	3.50%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.in. '000')		(% of change)	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Under Base Scenario	54,194	54,884	0.00%	0.00%
Salary Escalation - Up by 1%	55,596	56,627	3.30%	3.10%
Salary Escalation - Down by 1%	52,485	53,231	-3.70%	-3.00%
Withdrawal Rates - Up by 1%	54,317	55,050	0.20%	0.30%
Withdrawal Rates - Down by 1%	54,064	54,707	-0.20%	-0.30%
Discount Rates - Up by 1%	52,314	53,682	-2.40%	-2.20%
Discount Rates - Down by 1%	55,573	56,176	2.50%	2.30%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.



**b. Future salary escalation and Inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**41. Earnings per share (EPS)**

Particulars	As at 31-03-2020	As at 31-03-2019
Profit after tax before exceptional items	34,41,692	33,31,731
Add: exceptional items	-	-
Profit after tax after exceptional items	34,41,692	33,31,731
Profit available for Equity Shareholders	34,41,692	33,31,731
Weighted number of Equity Shares Outstanding	53,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	54,576.32	52,832.59
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	54,576.32	52,832.59

**42. Segment Information**

**i. Description of segment and principal activities**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. Mining and Sand Operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.





**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 67,28,557 thousand is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue"

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Revenue</b>				
External Revenue *	1,01,77,668	31,19,243	-	1,32,96,910
<b>Total Segment Revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>	<b>-</b>	<b>1,32,96,910</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income	-	-	7,27,512	7,27,512
Unallocated expenses and finance cost	-	-	(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
Income tax - Current	-	-	14,14,594	14,14,594
Deferred tax	-	-	(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(13,65,642)</b>	<b>34,41,692</b>
<b>Other Information</b>				
Segment Assets **	42,81,513	14,17,756	2,23,67,362	2,80,66,632
Segment Liabilities **	10,25,741	10,88,149	38,33,882	59,47,772



Capital work in progress	-	13,830	-	13,830
Depreciation and amortisation	36,956	21,768	-	81,561
Non-cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667

\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

1. Segment assets and liabilities are subject to reconciliation

#### 43. Related Party Transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2020	As at 31-03-2019
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SECL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	25.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%



**Key Management Personal:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	Vice Chairman & Managing Director
Sri Y.Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)	Vice Chairman & Managing Director
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	
Machilipatnam Urban Development Authority	Fellow Government company
Rayalaseema Steel Corporation Limited	/ Authority
AP High Grade Steel Limited	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	10,845
Pallavared granite private limited	41,259

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
Andhra Pradesh granite (Midwest) private limited	1,50,844	1,25,028
Pallavared granite private limited	59,427	41,844
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2020	As at 31-03-2019
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	19,726
Pallavared granite private limited	10,744	-

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2020	As at 31-03-2019
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCL Suliari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
Total	7,679	7,679
Investment derated/provision	7,679	7,679



Investment in joint ventures	As at 31-03-2020	As at 31-03-2019
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217
Investment in associates	As at 31-03-2020	As at 31-03-2019
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margaree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
S&AP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2020	As at 31-03-2019
Sri Ch.Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	355	2,142
Sri Y. Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)	588	-
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	889	-

**vi. Loan to related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
AP state fibernet limited	10,00,000	10,00,000
Machilipatnam urban development authority	20,00,000	20,00,000





**vii. Advance to related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
Rayalaseema steel corporation limited *	32,739	26,095
AP High Grade Steel Limited*	20,000	-

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**44. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for Internal Transport and Sand Door Delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the government regarding rates are not available.
  - i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand Boatsman Excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal Transportation Services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.





- iv. Door Delivery Transportation Services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of Agency Income and Transportation Income is not available. The same have been initially recognized based on the output from the Code Tree Software. However, the data from Code Tree Software is presently not available and relevant supporting to the Sale Vouchers are also not available. Due to the non-availability of records as explained above, we are unable to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income (83,07,052 MTs) and Quantity booked in Sand Excavation Expenditure (76,63,936 MTs) amounting to 6,43,116 MTs. Similarly, the difference between Internal Transportation Income and Internal Transportation Expense amounting to Rs. 29,27,22,581 could not be reconciled.

- d. Payments to the Sand Excavation, Internal transportation Expense have been based on the certification by the District sand officer/ District Sand In charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s Code Tree Software Solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code Tree was discontinued. Despite several requests, Code Tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the Door Delivery of Sand
- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
- ii. Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
- iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.



- iv. We do not possess the required records to reconcile the difference between the Sand Transportation Door Delivery Income and Sand Transportation Door Delivery Expense, which amounts to Rs. 7,83,52,411/-.
- g. The details of the receipts have not been provided to us by Director of Mines and Geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in Trade Receivable in the name of Director of Mines and Geology amounting to Rs. 20,32,31,193/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. The vouchers nor supporting's were maintained for the bulk payments of Door Delivery of Transportation of Sand and Boatmen Charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from End Customers directly in our bank account without routing it through Director of Mines and Geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various mode of payments such as DDs, UPIs and Cash directly deposited in our Bank Account. The share owed to Director of Mines and Geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under Unknown Receipts and have been classified as Current Liability due to pending reconciliation with Director of Mines and Geology.
- k. With regards to sand operations through desiltation by Boatman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
- ii. Since sand transactions were made by the District Administration, the details of the sale transactions are available with them and the same is not available with the company.



- iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
- The District Collector, East Godavari remitted an amount of Rs. 8,51,78,158 on 20th February 2020, which remained in their bank account as on date. As in the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. However, we have not been provided with the details of payments made directly to the boatmen or the receipts from the Director of Mines and Geology (Sand), and therefore, we could not include these transactions in our books due to the lack of records.
  - Regarding West Godavari, sand boatsman entries for the period from 01/10/2019 to 21/11/2019 were processed based on a letter dated 18th November 2019 from the District Collector, amounting to Rs. 7,49,73,153. However, we have not been provided with the details of payments made directly by the boatmen or the receipts from the Director of Mines and Geology (Sand). Additionally, the letter dated 18th November 2019 is currently not available in our records.
  - Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
    - ◆ Sand Boatsmen Excavation Expenses of West Godavari district amounting to Rs.7,56,55,256 for the excavation of 3,61,326 MT's from the period 01-10-2019 to 09-01-2020.
    - ◆ Sand Boatsmen Excavation Expenses of East Godavari district amounting to Rs.8,60,11,418 for the excavation of 3,84,271 MT's from the period 26-11-2019 to 31-03-2020.
- iv. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
- v. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.
- vi. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.



- vii. We do not possess the required records to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income on account of Excavation of Sand Boatsmen (18,95,192 MTs) and Quantity booked in Sand Boatsmen Excavation Charge Expenses (14,24,707MTs), amounting to 4,70,485 MTs. As in the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. Hence this difference in quantities could not be reconciled.

- i. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID - 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.

#### 45. Deferred tax asset /(liability)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,335	4,860
Provision for decommissioning asset	26,688	18,893
Property, plant and equipment	4,299	16,921
Other provisions	1,88,320	70,785
<b>Total deferred tax asset</b>	<b>221,643</b>	<b>1,11,459</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,517	2,563
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,563</b>
<b>Deferred tax asset /(liability) - net</b>	<b>2,19,126</b>	<b>1,08,896</b>

#### 46.CSR Expenditure

- a. Gross amount required to be spent by the company during the year is Rs.88,324 (Previous Year Rs.80,561).
- b. Amount spent during the year

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Construction/ acquisition of any assets	-	-
Purpose other than above	73,084	75,620

#### 47. Treatment demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.





- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & Liabilities	Common Pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
Deffered tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,535	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>





Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### Amounts held in current accounts, fixed deposits, sweep accounts

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 07-06-2014. Out of these balances an amount of Rs.78,50,479/- Thousands (Sweep accounts of Rs.75,954 /- and fixed deposits of Rs.77,74,525 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### 48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. in compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also



confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs. in. Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.



The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Advance to Rayalaseema steel corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores have been provided towards provision for doubtful advance.

#### **51. Advance to AP High Grade Steel Limited**

As per the endorsement of Special Chief Secretary, Industries & Commerce Department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to District Collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404th meeting held on 17-07-2020.

Further, no agreement has executed between the company and AP High Grade Steels Limited as on 31<sup>st</sup> March, 2020, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and District Collector, YSR Kadapa district, an amount of Rs.3.00 crores have been provided towards provision for doubtful advance.

#### **52. Loan to M/s. Thriveni Earth Movers Private Limited**

During the year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private Limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and



other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35 Crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory, the corporation release an amount of Rs.30 Crores on March 18, 2020, against the bank guarantee. This amount to be deducted in 13 instalments from the ongoing bills, with the applicable prevailing interest rates.

### 53. Non valuation of Inventory

#### a. C+D+W Grade of Barytes

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (50.19 lakhs MTs) is considered without value.

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS Contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year

As per the terms and conditions of the agreement with RCS Contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the year, the company terminated the contract with the RCS Contractor for violation of the mining rules, and the contractor handed over the stock of 2.13 lakh MT (including 2.128 lakhs MT of 2<sup>nd</sup> Grade), which the company has not valued.

### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	143.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31





5	Srikakulam	8.04
6	Sullyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>

## 55. Additional Information

### 55.1 Particulars of consumption of raw material

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	8,191	100.00	18,458	100.00
<b>Total</b>	<b>8,191</b>	<b>100.00</b>	<b>18,458</b>	<b>100.00</b>

### 55.2 Particulars of consumption of stores & spares

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	10,126	100.00	15,891	100.00
<b>Total</b>	<b>10,126</b>	<b>100.00</b>	<b>15,891</b>	<b>100.00</b>

## 56. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November, 2022 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019, the board of directors of the company in their meeting held on 21<sup>st</sup> October, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2019. The reported amounts as on 31<sup>st</sup> march, 2020 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.





### 57. Ind AS 116 Leases

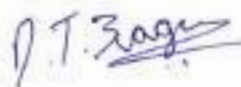
Ministry of corporate Affairs has notified "The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia include the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the April 1, 2019. The company has applied the standard to its leases using modified retrospective approach and comparative information is not restated.

This has resulted in the recognising of Right-of-Use Assets of Rs.24,478/- thousands with a corresponding lease liability of Rs. 27,526/- thousands and the difference of Rs. 3,048/- has been adjusted to the opening equity (retained earnings) as of April 01, 2019. The impact on profit for the period is not material.

### 58. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325



Dondeti Teja Sagar  
Partner  
Mem No.227878



Place: Visakhapatnam  
Date: 22nd September 2023

UDIN: 23227878 BGQLSR9421

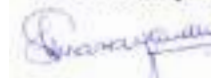
for and on behalf of the board of directors




V.G.Venkata Reddy

VC&MD  
DIN:08805525

Raman Narayanan

  
Director  
DIN:10267130

  
A. Nageswara Reddy  
General Manager-T & A

Place: Vijayawada  
Date: August 22, 2023



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

We do not express an opinion on accompanying Consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

#### **Basis for Disclaimer of Opinion**

- i) We draw attention to Note No: - 45 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2020 and further reasons as detailed in Note No 45, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCLL suiyari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	16.00%



13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Disclaimer Opinion (As stated in the report of standalone financial statements):

- a) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO Issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial Liability(non-current)	53,66,24,781	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,29,26,10,396	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	96,05,88,230	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,77,16,901	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,10,06,81,527	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,18,93,95,110	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,46,17,175	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,06,98,23,137	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,59,53,935	Dr



10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	37,26,68,937	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	59,65,219	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	9,38,54,941	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,29,30,827	Dr
14	Int. on Fixed Deposits	26	Other Income	45,57,34,035	Cr
15	Int. on FD kept for BG	26	Other Income	1,01,96,036	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	7,03,23,604	Cr
17	Int on Sweep account SBIkh	26	Other Income	51,53,011	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,49,78,581	Dr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2020 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2020 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2020 (in Rs.)
Adv.to EE Panch.Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,15,76,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Property, Plant and Equipment have not been physically verified during the year. Further, in respect of additions to Property, Plant and Equipment during the year, no supporting documents are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences





such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. The date of capitalization has been taken as 1<sup>st</sup> February 2020 for which no supporting has been provided. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.

- vi) Inventories consists of Finished Goods amounting to Rs. 77,34,84,215 and Stores and Spares amounting to Rs. 1,31,36,227 as on 31<sup>st</sup> March 2020. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- vii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- viii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 47.53 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- ix) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- x) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the





books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements

- xi) The Holding company has Trade Receivables balance amounting to Rs. 186.76 Crores and advance from customers amounting to Rs. 8.91 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 186.76 Crores and Advance from Customers amounting to Rs. 8.91 crores have not been obtained. Considering non confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xii) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.K. maraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sn R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xiii) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State FiberNet Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19 and Financial Year 2019-20 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiv) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated financial statements.
- xv) The Holding company has accounted for interest on credit sales amounting to Rs. 3.07 crores and Penalty Receipts from buyers amounting to Rs. 0.83 crores for the financial year 2019-20. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying



interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2020 has not been recognised which is not in line with the accounting policy followed by the Holding company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2020. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.

xvi) Balance in Suspense Account amounting to Rs. 37,12,449 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.

xvii) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,

a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.

b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Holding Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. As per the financial statements for Financial Year 2019-20, Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology upto 31<sup>st</sup> March 2020 has been accounted for 83,07,052 MTs whereas the Total Sand Excavation Charges billed by the Contractor to the Holding Company upto 31<sup>st</sup> March 2020 has been accounted for 76,63,936 MTs. The reason for



variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.

- c) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometre (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Holding Company with the Transporters. The transportation charges payable has to be derived based on the Kilometres as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometres certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometres as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. It has been informed to us that Internal Transport Charges receivable from Director of Mines and Geology are also at the same kilometres and rate per kilometre but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Internal Transportation Income has been accounted for Rs. 78,68,83,041 whereas Internal Transportation Expense has been accounted for Rs. 107,95,37,457. The reason for difference between Income and Expenditure in an Internal Transportation Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- d) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. It has been informed to us that Door Delivery Transport Charges receivable from Director of Mines and Geology are also at the same rates but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Sand Transportation Door Delivery Income has been accounted for Rs. 85,35,79,638 whereas Sand Transportation Door Delivery Expense has been accounted for Rs. 77,52,27,226. The reason for difference between Income and Expenditure in a Door Delivery Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.





- e) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supportings are not available for verification, the details of which are as follows:
- 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN.etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
  - 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.
  - 4) As per page 1 of note for approval pertaining to boatsmen society payments of the West Godavari district, 355323 MTs were dispatched from 1-10-2019 to 21-11-2019 based on a letter dated 18-11-2019 from the District Collector, West Godavari. The above quantity amounts to boatsmen excavation charges of Rs.7,49,73,153. Of the above amount Rs.5,42,34,000 was directly credited to Collectors account by Department of Mines and Geology and has been accordingly adjusted to boatsmen charges payable West Godavari. The payments for the above period were handled directly by the District Collector. The Holding Company has not deducted statutory deductions such as TDS, TDS GST.etc. on the above payment. However, the records pertaining to the above claim including the letter received from district collector, the evidences pertaining to payments made by District Collector to Boatsmen on behalf of the Holding company have not been provided for our verification.
  - 5) The Excavation Charges payments to Boatsmen Society in respect of the months from September 2019 to January 2020 were partly looked after by the respective District Collector. The details of such payments, the expenditure to be booked in the Holding company books for the period looked after by District Collector and the statutory deductions on such payments such as TDS, GST TDS are not available on record.
  - 6) The DSO/District Collector confirmations in respect of 745746 MT's amounting to Rs.16,16,66,674 of Sand excavated by Sand Boatsmen Societies are not available on record.
  - 7) As per the financial statements for Financial Year 2019-20, Agency Income on account of Excavation by Sand Boatsman has been accounted for 18,95,192 MTs whereas Sand Boatsmen Excavation Charges Expenses has been accounted for 14,24,707 MTs. The



reason for variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- f) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- g) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Holding Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2019-20. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2020.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.





## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

## **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018 and March 31, 2019 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018 and March 31, 2019, the Board of Directors of the Holding Company in their meeting held on 22<sup>nd</sup> August 2023 approved the financial statements for the year ended March 31, 2020. Consequently, we have conducted our audit for the year ended March 31, 2020 and March 31, 2019 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2019 and March 31, 2018 respectively. The



reported amounts as on March 31, 2020 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018 and March 31, 2019 and subsequent approval at the Annual General Meetings.

We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 59.38 lakhs for the year ended March 31, 2020 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

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

1. As required by Section 143 (3) of the Act, we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Holding company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse affect on the functioning of the Group.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.



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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements. Refer Note 36 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Visakhapatnam

Date: 22<sup>nd</sup> September 2023



For Sriramamurthy & Co  
Chartered Accountants

FRN 0030325

*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner

Mem No: 227878

UDIN: 23227878 BGQLSS1482

## **Annexure - A to the Independent Auditors' Report**

[Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2020]

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding company included in the Group are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the internal control over financial reporting criteria established by the Companies/Entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding company.

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

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





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

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2020

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.





- f) In respect of sand operations of the Holding company,
- The Holding company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - Periodic Reconciliation of Bank Balances have not been done.
  - Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.
  - Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, EMD/PSD register, register of contractors and register of tender schedules sold.

#### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Holding Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding company as at March 31, 2020 and the disclaimer has affected our opinion on the Consolidated financial statements of the Holding company and we have issued a Disclaimer of opinion on the Consolidated financial statements of the Holding company.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S  
  
CA. D. TEJA SAGAR  
Partner  
Mem No: 227878

UDIN: 23227878 BGT LSS1482

# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there is no Public Deposit Account in the name of the Holding Company.</p>



	not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2019-20. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.



12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



CA. D. TEJA SAGAR  
Partner  
Mem No: 227678

UDIN: 23227878 BGQLSS1482



The Andhra Pradesh Financial Development Corporation Limited

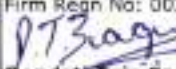
Consolidated Balance sheet as at March 31, 2020

All amounts are in thousands, unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	1,51,980	4,50,772
Right-of-use Assets	2	20,520	-
Capital work in progress	9	19,650	-
Other intangible assets	3	66,561	2,854
Intangible assets under development	3	62,71,043	57,97,120
<b>Financial assets</b>			
Investments	4	11,312	5,368
Loans	5	5,55,009	8,18,722
Other financial assets	6	79,52,231	76,13,386
Deferred tax assets (net)	7	2,19,125	1,08,896
Non-current tax assets	8	8,65,414	6,57,675
Other non-current assets	9	29,76,834	23,51,901
<b>Total Non-current assets</b>		<b>1,97,28,244</b>	<b>1,78,56,688</b>
<b>Current assets</b>			
Inventories	10	7,85,821	3,20,547
<b>Financial assets</b>			
Trade receivables	11	14,89,534	14,15,504
Cash and cash equivalents	12	17,10,993	6,17,930
Other bank balances	13	5,55,894	-
Loans	13	32,47,289	22,01,622
Other financial assets	14	1,99,805	2,47,930
Other current assets	15	2,53,239	3,64,484
<b>Total Current assets</b>		<b>83,40,674</b>	<b>57,68,017</b>
<b>TOTAL ASSETS</b>		<b>2,80,68,918</b>	<b>2,36,24,706</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	2,20,56,284	1,86,08,171
<b>Total Equity</b>		<b>2,21,19,146</b>	<b>1,86,71,233</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	30,73,179	27,81,670
Provisions	19	1,06,041	54,065
Other non-current liabilities	20	25,432	75,232
<b>Total Non-current Liabilities</b>		<b>32,04,652</b>	<b>29,14,967</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	8,64,306	1,34,637
Other financial liabilities	22	8,24,948	5,59,269
Other current liabilities	23	4,84,221	5,93,302
Current tax liabilities	24	5,69,635	7,01,246
<b>Total Current Liabilities</b>		<b>27,43,110</b>	<b>20,88,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,80,68,918</b>	<b>2,36,24,706</b>
Notes to financial statements	1-59		

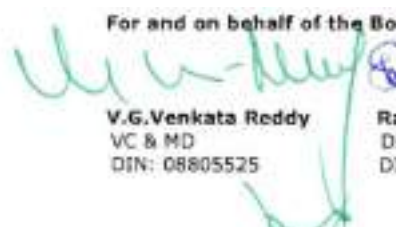
The accompanying notes are an integral part of these consolidated financial statements


As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



For and on behalf of the Board of Directors

  
**V.G.Venkata Reddy**  
VC & MD  
DIN: 08805525

  
**Raman Narayanan**  
Director  
DIN: 10267130

  
**A.Nageswara Reddy**  
General Manager - F&A



Place : Vijayawada  
Date : August 22, 2023

UDIN: 23227878 BGALSS1482

Place : Visakhapatnam

Date : 22<sup>nd</sup> September 2023

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2020  
All amounts are in thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	25	1,32,96,911	86,21,521
Other income	26	1,75,977	7,86,188
<b>Total Income</b>		<b>1,40,72,888</b>	<b>94,07,709</b>
<b>Expenses</b>			
Cost of materials consumed	27	8,151	18,458
Change in inventories of finished goods	28	1,40,945	(89,437)
Employee benefits expense	29	3,37,799	3,97,585
Finance costs	30	11,098	38,703
Depreciation and amortization expense	31	81,561	56,901
Power and fuel	32	41,748	54,483
Excavation & transport charges	33	26,13,136	17,13,825
Other expenses	34	60,92,312	19,17,063
<b>Total Expenses</b>		<b>93,26,787</b>	<b>41,08,580</b>
Profit before exceptional items and tax		47,46,101	52,99,129
Add : Exceptional items (Net)		-	-
Profit before tax		47,46,101	52,99,129
Share of Profit/(loss) of joint venture		5,938	(15,011)
Less : Tax expense/(benefit)			
Current tax	35	14,14,594	19,88,586
Deferred tax	36	(1,10,184)	(21,588)
<b>Total tax expense/(benefit)</b>		<b>13,04,409</b>	<b>19,67,398</b>
Profit for the year from continuing operations		34,47,629	33,16,720
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
Net Profit from discontinuing operations		-	-
Profit after the tax for the year (A)		34,47,629	33,16,720
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		3,279	1,371
Items that will not be reclassified to profit or loss of JV		7	119
Income tax on above items		46	(25)
<b>Total other comprehensive income for the year (B)</b>		<b>3,332</b>	<b>1,465</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>34,50,961</b>	<b>33,18,185</b>
Earnings per equity share (in Rs) - [Nominal value of share Rs.1000/-]			
- Basic	41	54,670.47	52,594.58
- Diluted		54,670.47	52,594.58
Notes to financial statements	1-59		

The accompanying notes are an integral part of these consolidated financial statements

As per our report

For Sriramamurthy & Co  
Chartered Accountants

Firm Regn No: 0030325

Dondeti Teja Sagar

Partner

Mem No.227878



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A



Place : Vijayawada

Date : August 22, 2023

VDIN: 23227878BGALSSIM82

Place : Visakhapatnam

Date : 22<sup>nd</sup> September 2023

**Balance Sheet as at March 31, 2020**

Statement of Changes in equity for the year ended March 31, 2020

**A. Equity share capital**

(Rs. in '000's)		
Particulars	No. of Shares	Amount
Balance as at April 1, 2018	63,062	63,062
Changes in equity share capital during 2018-19		
Balance as at April 1, 2019	63,062	63,062
Changes in equity share capital during 2019-20		
Balance as at March 31, 2020	63,062	63,062

**B. Other Equity**

(Rs. in '000's)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for bad and doubtful debts	Other Reserves [General reserve]	Retained Earnings	Equity instruments through Other Comprehensive Income	Actual Gains/losses reserve	Deferred tax on OCI items	
Balance as at April 1, 2018	11,000	81,560	17,24,670	1,34,72,757	(5,657)	3,293	2,408	1,32,89,986
Profit for the year	-	-	-	33,16,720	-	-	-	33,16,720
Other comprehensive income for the year	-	-	-	-	-	1,460	(251)	1,209
Total comprehensive income for the year	-	-	-	33,16,720	-	1,460	(251)	33,17,929
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	5,417	(5,417)	-
Balance as at March 31, 2019	11,000	81,108	17,24,670	1,67,89,928	(5,657)	10,170	(3,036)	1,86,98,171
Adjustment for lease rentals under IND AS 116	-	-	-	(3,048)	-	-	-	(3,048)
Balance as at April 01, 2019	11,000	81,108	17,24,670	1,67,86,880	(5,657)	10,170	(3,036)	1,86,95,123
Profit for the year	-	-	-	34,47,620	-	-	-	34,47,620
Other comprehensive income for the year	-	-	-	-	-	1,286	46	1,332
Total comprehensive income for the year	-	-	-	34,47,620	-	1,286	46	34,50,952
Transfer to reserve for bad and doubtful debts	-	4,219	-	(1,248)	-	-	-	2,971
Balance as at March 31, 2020	11,000	85,327	17,24,670	2,02,50,262	(5,657)	11,456	(2,990)	2,20,57,078

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*P.T. Sagar*  
Dandeti Teja Sagar  
Partner  
Mem No 227878



*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*Raman Narayanan*  
Raman Narayanan  
Director  
DIN: 00267190

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A

Place : Vijayawada  
Date : August 22, 2023



Place : Visakhapatnam

Date : 22<sup>nd</sup> September 2023

UDIN: 23223878BGLSS1482

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Cash flow statement for the year ended March 31, 2023  
All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash Flow from Operating Activities</b>		
Profit before tax from continuing operations	47,32,048	52,81,118
Adjustments for:		
Interest expense	1,186	34,477
Unwinding of discounting on provisions	9,912	7,772
Interest income	(8,90,843)	(7,59,911)
Depreciation and amortisation expense	81,561	56,902
Provision for bad & doubtful debts	3,20,303	29,542
Provision for bad & doubtful advances	2,22,925	30,839
Liabilities no longer required written back	(46,591)	(4,638)
Operating profit before working capital changes	46,50,483	46,04,099
Adjustments for:		
Increase/(decrease) in trade payables	6,55,140	(55,994)
Increase/(decrease) in provisions	91,334	(4,739)
Increase/(decrease) in other financial liabilities	6,75,104	6,18,258
Increase/(decrease) in other liabilities	(7,36,175)	(862)
Decrease/(increase) in trade receivables	(7,94,430)	(12,660)
Decrease/(increase) in inventories	1,34,726	(83,606)
Decrease/(increase) in other assets	(6,82,875)	(5,33,410)
Decrease/(increase) in other financial assets	(5,77,809)	(4,51,504)
Cash generated from operations	42,26,105	41,41,491
Direct taxes paid (net of refunds)	17,73,990	14,95,417
Net cash flow from/(used in) operating activities (A)	24,52,116	26,46,074
<b>Cash flow from Investing activities</b>		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, CW P and Capital advances	(8,65,263)	(29,10,104)
Movements in other bank balance	(5,53,894)	24,14,702
Loans repaid / Given to others	(5,88,500)	(24,00,000)
Loans repaid / Given to staff	(32,391)	(4,869)
Interest received	6,90,623	7,59,911
Net cash flow from/(used in) investing activities (B)	(13,49,805)	(21,43,361)
<b>Cash flow from Financing activities</b>		
Interest paid	(1,186)	(34,477)
Payment of lease liability	(8,562)	
Net cash flow from/(used in) financing activities (C)	(9,249)	(34,477)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	10,93,062	4,68,236
Cash and cash equivalents at the beginning of the year	6,17,930	1,49,695
Cash and cash equivalents at the end of the year	17,10,992	6,17,930
<b>Components of cash and cash equivalents</b>		
Cash on hand	609	104
Balances with scheduled banks		
With Current Accounts	17,10,383	6,17,826
Total cash and cash equivalents (Note 12.1)	17,10,992	6,17,930

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS - 7

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

P.T. Sagar  
Dondeti Teja Sagar  
Partner  
Mem No. 227878



V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place: Vijayawada  
Date: August 22, 2023

UDIN: 23227878BGLSS1487

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023





## Notes to the Consolidated Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant Accounting Policies

#### a. Statement of Compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The Consolidated Financial Statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements"
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.





Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.
- VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**c. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment/ Group's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.





At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.





**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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



**Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply



when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.





**r. Leases**

The group has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for Buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.





For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.



**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;



- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company





**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use asset for the year ended March 31, 2020

Note -3

Particulars	Gross block				Accumulated Depreciation/Amortisation			Net block		
	Cost as at April 1, 2019	Additions	Disposals/ adjustments/tr transfer	Cost as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation for the Year	Disposal/ Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2020	Net Block as at March 31, 2020	Net Block as at March 31, 2019
Free hold land	2,78,926	1,412	-	2,80,337	-	-	-	-	2,80,337	2,78,926
Buildings	47,547	153	-	47,702	16,184	3,758	-	19,942	27,760	27,563
Plant and machinery	1,78,014	1,21,509	-	2,99,523	66,865	28,810	-	95,675	2,03,848	1,11,149
Furniture & fixtures	17,180	1,848	-	19,028	6,278	1,145	-	7,423	11,605	10,902
Vehicles	9,146	10,452	-	19,598	7,091	1,946	-	9,037	10,561	7,055
Office equipment	21,197	1,79,660	-	2,00,857	12,846	18,169	-	31,005	1,69,852	8,361
Mining and equipment	68,797	2,104	-	70,901	40,119	6,413	-	46,532	24,369	28,478
Data processing equipment	15,035	3,440	-	18,475	13,075	1,772	-	14,848	3,627	1,959
Tent & huts	2,934	197	-	3,131	2,649	241	-	2,790	341	385
Lease hold improvements	24,679	771	-	25,450	13,784	6,146	-	19,930	5,520	11,294
<b>Total</b>	<b>6,59,454</b>	<b>3,23,543</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>70,340</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,772</b>
Less: Depreciation captured during the year	-	-	-	-	-	475	-	-	-	-
<b>Total</b>	<b>6,59,454</b>	<b>3,23,543</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>69,865</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,772</b>
Previous year - 2018-19	5,63,413	1,01,271	3,230	6,59,454	1,25,449	56,462	3,730	1,78,681	4,80,773	4,35,964
<b>LEASED ASSETS</b>	<b>Addition on account of Transition in Ind AS 116 - at April 1, 2019</b>	<b>Additions</b>	<b>Disposals/ adjustments/tr transfer</b>	<b>Cost as at March 31, 2020</b>	<b>Accumulated Depreciation as at April 1, 2019</b>	<b>Depreciation for the Year</b>	<b>Disposal/ Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2020</b>	<b>Net Block as at March 31, 2020</b>	<b>Net Block as at March 31, 2019</b>
Right of use asset	24,478	8,811	-	33,289	-	8,765	-	8,765	24,524	-
<b>Total</b>	<b>24,478</b>	<b>8,811</b>	<b>-</b>	<b>33,289</b>	<b>-</b>	<b>8,765</b>	<b>-</b>	<b>8,765</b>	<b>24,524</b>	<b>-</b>
<b>Other Intangible Assets</b>										
<b>Particulars</b>	<b>Cost as at April 1, 2019</b>	<b>Additions</b>	<b>Disposals/ adjustments/tr transfer</b>	<b>Cost as at March 31, 2020</b>	<b>Accumulated Depreciation as at April 1, 2019</b>	<b>Depreciation for the Year</b>	<b>Disposal/ Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2020</b>	<b>Net Block as at March 31, 2020</b>	<b>Net Block as at March 31, 2019</b>
Computer software	3,353	-	-	3,353	2,165	465	-	2,630	723	1,188
Mining Property	1,976	44,578	-	46,554	270	2,456	-	2,730	43,818	1,706
<b>Total</b>	<b>5,329</b>	<b>44,578</b>	<b>-</b>	<b>49,907</b>	<b>2,435</b>	<b>2,931</b>	<b>-</b>	<b>5,366</b>	<b>44,541</b>	<b>2,894</b>
Previous year - 2018-19	5,157	172	-	5,329	1,612	823	-	2,435	2,894	3,545
<b>Exploration intangible assets under development</b>	<b>57,97,120</b>	<b>4,73,923</b>	<b>-</b>	<b>62,71,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,71,043</b>	<b>57,97,120</b>
Previous year - 2018-19	29,72,252	28,24,868	-	57,97,120	-	-	-	-	57,97,120	29,72,252
<b>Capital work in progress</b>	<b>-</b>	<b>11,830</b>	<b>-</b>	<b>11,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,830</b>	<b>-</b>
Previous year - 2018-19	12,822	-	-	12,822	-	-	-	-	-	12,822





<p>iii. M/s. Polysar Limited (grasses pp-255) (Pvt) Ltd  31,00,000 equity shares (March 31, 2019: 11,00,000) of Rs 100/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>11,000  (11,000)</p>	<p>11,000  (11,000)</p>
<p>iv. M/s. Ganges AP banyas banificon private limited  1,30,000 equity shares (March 31, 2019: 1,30,00) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>13  (13)</p>	<p>13  (13)</p>
<p>v. M/s. Andhra banyas corporation private limited  8,52,500 equity shares (March 31, 2019: 8,52,500) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>8,525  (8,525)</p>	<p>8,525  (8,525)</p>
<p>vi. M/s. Andhra Pradesh iron ore company limited  6,80,000 equity shares (March 31, 2019: 6,80,000) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>68  (68)</p>	<p>68  (68)</p>
<p>vii. M/s. Emerald banyas private limited  4,50,000 equity shares (March 31, 2019: 4,50,000) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>4,500  (4,500)</p>	<p>4,500  (4,500)</p>
<p>viii. M/s. V.V. Minerals private limited  1,10,000 equity shares (March 31, 2019: 1,10,000) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>110  (110)</p>	<p>110  (110)</p>
<p>Investments measured at amortised cost  Investment in Government Securities (Unquoted)  Less: Provision made for doubtful investment</p>	<p>7,133  (7,087)  5,388</p>	<p>7,133  (7,087)  5,388</p>
<p>Aggregate amount of quoted investments - Market value  Aggregate amount of quoted investments - Book value  Aggregate amount of unquoted investments  Aggregate amount of investment  Aggregate Provision made for doubtful investment</p>	<p>-  -  13,313  57,512  7,087</p>	<p>-  -  5,368  57,612  7,087</p>
<p>5. <b>Loans (Non-current)</b></p>	<p>As at March 31, 2020</p>	<p>As at March 31, 2019</p>
<p>Debitly with others  Unsecured, considered good  Unsecured, considered doubtful  Less: Provision for doubtful debts  Loans to others  Unsecured, considered good  Loan to NP State Mineral Limited - Refer Note 49  Borrow and advances to employees  Unsecured, considered good  Unsecured, considered doubtful  Less: Allowance for bad and doubtful debts</p>	<p>10,382  9,869  (9,154)  5,50,000  35,327  654  (854)</p>	<p>9,570  9,144  (9,359)  8,00,000  3,201  256  (256)</p>
<p><b>Total</b></p>	<p><b>5,95,409</b></p>	<p><b>8,18,772</b></p>
<p>6. <b>Other Financial Assets (Non-Current)</b></p>	<p>As at March 31, 2020</p>	<p>As at March 31, 2019</p>
<p>Unsecured, considered good - Refer note 48  Balance in current accounts (Interest)  Long term bank deposits  Sweep accounts  Unsecured, considered doubtful  Balance in post office savings account  Less: Provision for doubtful</p>	<p>17,412  78,56,855  75,954  4,042  (4,042)</p>	<p>10,010  75,39,808  75,546  4,341  (4,341)</p>
<p><b>Total</b></p>	<p><b>78,53,333</b></p>	<p><b>78,25,366</b></p>



7		As at	As at
Deferred tax asset (Net)		March 31, 2020	March 31, 2019
Deferred tax asset			
Property, plant & equipment		4,399	16,523
Impact of expenditures charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis		2,335	4,860
Provision for depreciable assets		26,685	18,893
Provision for lease liability / assets		867	
Provision for bad & doubtful debts, investments & advances		3,87,453	10,185
Total Deferred tax asset		2,21,683	1,31,499
Deferred tax liability			
Investment		(2,517)	(2,563)
Total deferred tax liability		(2,517)	(2,563)
Net Deferred tax asset		2,19,166	1,08,936
8		As at	As at
Non-current tax assets		March 31, 2020	March 31, 2020
Income Tax			
Corporate tax receivable		8,85,414	6,57,639
Total		8,85,414	6,57,639
9		As at	As at
Other non-current assets		March 31, 2020	March 31, 2019
A) Capital advances			
Unsecured, considered good		2,32,387	2,79,387
Unsecured, considered doubtful		25,023	26,023
Provision for doubtful advances		(25,023)	(26,023)
		2,32,387	2,79,387
B) Advances other than capital advances			
Unsecured, considered good		87,90,394	11,38,240
Unsecured, considered doubtful		88,891	59,031
Less: Provision for doubtful advances		(88,891)	(59,031)
		13,90,394	12,38,240
C) Others - Specified			
Unsecured, considered good		13,45,865	8,80,256
Unsecured, considered doubtful		1,38,875	10,577
Less: Provision for doubtful advances		(1,98,875)	(10,577)
Prepaid expenses		658	4,018
		13,46,513	8,84,274
Total		29,78,834	23,61,901
10		As at	As at
Investments		March 31, 2020	March 31, 2019
Fixed Fee Funds		7,75,484	9,14,420
Less: Provision for obsolete stock		(799)	(799)
Shares and stocks		33,136	6,938
Total		7,85,821	9,20,549



13	Trade receivables (Current)	As at March 31, 2020	As at March 31, 2019
	Unsecured, considered good	14,89,634	14,15,504
	Unsecured, considered credit impaired	3,77,963	57,659
	Less: Impairment allowance for doubtful debts	(3,77,963)	(57,659)
	Total	14,89,634	14,15,504
12	Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
	Cash and cash equivalents		
	Balance with banks		
	in current accounts	17,10,101	6,17,326
	Cash on hand	609	104
	(A)	17,10,710	6,17,430
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	5,53,894	-
	(B)	5,53,894	-
	Total	22,64,604	6,17,430
13	Loans (Current)	As at March 31, 2020	As at March 31, 2019
	Loans to others		
	Unsecured, considered good		
	Loan to A.P. Mita Finance Limited & Machilipatnam Urban Development Authority - Refer Note: 45 & 50	24,50,000	22,00,000
	Others - Refer Note: 53	9,88,500	-
	Loans and Advances to Employees		
	Unsecured, considered good	6,288	3,627
	Total	30,44,788	22,03,627
14	Other financial assets (Current)	As at March 31, 2020	As at March 31, 2019
	Deposits with others		
	Unsecured, considered good	-	50
	Advances receivable in cash		
	Unsecured, considered good	3,315	-
	Interest accrued on deposits		
	Unsecured, considered good	4,96,100	2,47,880
	Unsecured, considered doubtful	4,592	4,592
	Less: Provision made	(4,592)	(4,592)
	Total	4,98,803	2,47,938
15	Other current assets	As at March 31, 2020	As at March 31, 2019
	A) Advances recoverable		
	Unsecured, considered good	87,322	8,329
		87,322	8,329
	B) Others - Specified		
	Unsecured, considered good		
	Balance with statutory authorities	1,26,672	2,06,656
	Prepaid expenses	60,249	42,903
	Others	34,556	14,585
	Total	2,15,987	3,36,294
		2,93,219	3,64,434



16	Equity Share Capital	As at March 31, 2020	As at March 31, 2019
	Authorized share capital: 1,00,000 equity shares of Rs 1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs 1000/- each)	1,00,000 1,00,000	1,00,000 1,00,000
	Issued, subscribed and fully paid up Share Capital: 63,062 equity shares of Rs 1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs 1000/- each)	63,062 63,062	63,062 63,062
<b>16.1 Additional notes</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at March 31, 2020	As at March 31, 2019
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2 Rights, preferences and restrictions attached to Equity Shares</b>			
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the shareholder	As at March 31, 2020	As at March 31, 2019
	Governor of the Andhra Pradesh represented by Assistant Secretary to Government (Mines, Industries & Commercial Department)	53,059 (100%)	63,059 (100%)
<b>17</b>			
	Other equity	As at March 31, 2020	As at March 31, 2019
	Capital Reserves		
	Free reserve equity shares for distribution other than cash a letted by		
	i. M/S. Sowam Mineral Development Private Limited 15,400 equity shares (March 31, 2019 - 15,400) of Rs 10/- each fully paid up	650 650	650 650
	Less: Provision made for diminution in the value of shares	(650)	(45,00)
	ii. M/S SRAP Minerals Private Limited 3,25,000 equity shares (March 31, 2019 - 1,25,000) of Rs 10/- each fully paid up	3,250 3,250	3,250 3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	iii. Arham Minerals exports private limited 1,30,000 equity shares (March 31, 2019 - 1,30,000) of Rs 10/- each fully paid up	1,300 1,300	1,300 1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	iv. Irga Minerals exports private limited 1,30,000 equity shares (March 31, 2019 - 1,30,000) of Rs 10/- each fully paid up	1,300 1,300	1,300 1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	v. Mangasree granites exports limited 1,30,000 equity shares (March 31, 2019 - 1,30,000) of Rs 10/- each fully paid up	1,300 1,300	1,100 1,100
	Less: Provision made for diminution in the value of shares	(1,100)	(1,100)
	vi. Ongole Minerals exports private limited 3,25,000 equity shares (March 31, 2019 - 3,25,000) of Rs 10/- each fully paid up	3,250 3,250	3,250 3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)





vi. M/s. gronics private limited 3,25,000 equity shares(March 31, 2019: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vii. M/s. A.P. granites (madurai) private limited 11,00,000 equity shares(March 31, 2019: 11,00,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
viii. M/s. Alliance P.P. black galaxy granite private limited 11,00,000 equity shares(March 31, 2019: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
ix. M/s. Pattavand granite private limited 11,00,000 equity shares(March 31, 2019: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
x. M/s. A.P. coastal sands & metals private limited, 13,000 equity shares(March 31, 2019: 13,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
xi. M/s. Dimple iron ore mining company private limited 56,100 equity shares(March 31, 2019: 56,100) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)
xii. M/s. Dimple AP barytes beneficiation private limited 1,120 equity shares(March 31, 2019: 1,120) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11 (11)	11 (11)
xiii. M/s. Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2019: 8,52,500) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xiv. M/s. Andhra Pradesh iron ore company limited 6,650 equity shares(March 31, 2019: 6,650) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	66 (66)	66 (66)
xv. M/s. Times barite private limited 4,50,000 equity shares(March 31, 2019: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xvi. M/s. V.V. Minerals private limited 1,100 equity shares(March 31, 2019: 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
Other comprehensive income		
Opening balance	1,465	
Other comprehensive income for the year	3,332	1,465
Add/Less: Transferred from/to retained earnings		
Closing balance	4,797	1,465
Reserve for bad and doubtful debts		
Opening balance	81,108	81,550
Add/Less: Transferred from/to profit and loss account	4,248	(437)
Closing balance	85,356	81,108
General Reserve		
Opening balance	17,24,670	17,24,670
Impact of transfer to fund 45: 815	(3,047)	
Closing balance	14,21,623	17,24,670



Retained Earnings		
Opening balance	1,67,89,928	1,34,72,757
Add/(Less): Profit for the year	74,47,629	33,16,720
	2,02,37,557	1,67,89,476
Less: Appropriations		
Reserve for bad and doubtful debts	9,344	(452)
Total appropriations	9,344	(452)
Closing Balance	2,02,33,369	1,67,89,928
Total	2,20,54,048	1,86,03,173

#### Nature and purpose of Reserves

##### General Reserve

General Reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used in: meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to trade receivables.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions made to shareholders.

18	Other Financial Liabilities (Non-current)	Rs in March 31, 2020	Rs in March 31, 2019
	Expenses Payable (Internal Infrastructure Development)	NR,714	64,177
	Deposits	17,400	17,780
	Others	25,87,184	27,00,738
	Total	26,05,298	27,82,695

19	Provisions (Non-current)	Rs in March 31, 2020	Rs in March 31, 2019
	Provision for Others:		
	Provision for decommissioning cost	1,06,041	54,055
	Total	1,06,041	54,055

20	Other Non-current Liabilities	Rs in March 31, 2020	Rs in March 31, 2019
	Others		
	Statutory liabilities	25,432	29,272
	Total	25,432	29,272

21	Trade Payables (Current)	Rs in March 31, 2020	Rs in March 31, 2019
	Trade payables		
	Due to micro enterprises and small enterprises		
	Due to creditors other than micro enterprises and small enterprises	8,64,104	3,84,687
	Total	8,64,104	3,84,687

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.

Particulars	Rs in March 31, 2020	Rs in March 31, 2019
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 16 of MSMED Act, 2006		

Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.



22	Other financial liabilities (Current)		As at	As at
			March 31, 2020	March 31, 2019
	Salaries & other benefits payable		16,543	21,163
	Earned money and security deposits from customers		2,85,761	3,05,724
	Other payable		5,22,643	2,33,381
	Total		8,24,947	5,59,269
23	Other current liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Amounts from customers		89,128	3,64,317
	Statutory liabilities		2,93,391	1,74,375
	Unknown Asset Disposal expense		3,712	-
	Total		6,86,231	5,38,692
24	Current tax liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Provision for income tax		5,09,535	7,31,245
	Total		5,09,535	7,31,245



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2020  
All amounts are in thousands, unless otherwise stated

25	Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
	Sale of products	1,03,28,744	85,75,028
	Sale of services		
	Agency Services	31,19,243	-
	Others	1,48,924	45,032
	Total	1,32,96,911	86,21,522
26	Other Income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest income		
	Bank deposits	6,26,123	6,25,728
	Loans	311	287
	Others	55,366	1,33,896
	Other non operating income		
	Rent receipts	661	721
	Forfeiture of security deposit	1,500	18,000
	Sale of tender documents	4,984	2,252
	Liabilities no longer required written back	46,590	4,639
	Penalties on buyers and millers	8,370	-
	Other miscellaneous income	32,070	665
	Total	7,75,977	7,86,189
27	Cost of materials consumed	For the year ended March 31, 2020	For the year ended March 31, 2019
	Packing material	8,193	18,458
	Total	8,193	18,458
28	Changes in Inventories of Finished goods	For the year ended March 31, 2020	For the year ended March 31, 2019
	a) Opening stock of Finished Goods	5,14,429	5,15,992
		9,14,429	8,25,992
	b) Closing stock of Finished Goods	7,73,484	5,14,029
		7,73,484	9,14,829
	Changes in Inventories of Finished Goods	1,40,945	(88,437)
29	Employee benefits expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Salaries and wages	2,60,365	3,20,655
	Contribution to provident fund and other funds	48,449	51,950
	Staff welfare expenses	24,590	24,980
	Total	3,32,788	3,97,585
30	Finance costs	For the year ended March 31, 2020	For the year ended March 31, 2019
	Unwinding of discount on provision	9,912	4,225
	Interest	1,186	34,477
	Total	11,098	38,703



31	Depreciation and amortization expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Depreciation of Plant, Property and Equipment	72,330	55,157
	Amortization of intangible assets	465	744
	Depreciation on Right of use assets	3,765	-
	<b>Total</b>	<b>81,561</b>	<b>56,901</b>
32	Power and fuel	For the year ended March 31, 2020	For the year ended March 31, 2019
	Power and fuel	41,748	54,483
	<b>Total</b>	<b>41,748</b>	<b>54,483</b>
33	Excavation & transport charges	For the year ended March 31, 2020	For the year ended March 31, 2019
	Excavation & transport charges for run of mine	3,30,964	3,87,895
	Excavation & transport charges for overburden	22,78,171	22,25,930
	<b>Total</b>	<b>26,19,135</b>	<b>26,13,825</b>
34	Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Rents	2,681	12,264
	Repairs & maintenance	10,126	15,891
	Insurance	1,153	943
	Rates and taxes		
	Royalty	8,62,948	7,16,362
	DWT	2,54,332	2,14,900
	WMLT	16,955	14,327
	Cess	52,166	46,576
	Other Rates and Taxes	3,46,764	1,31,869
	Other expenses		
	Operating expenses	30,065	30,091
	Expenses for agency services	80,50,874	-
	Discount on sales	82,485	-
	Milling charges	19,140	37,275
	Transport and Wagon loading charges	74,684	91,624
	Selling expenses	96,039	28,574
	New project expenses	3,945	1,534
	Office & general expenses	78,488	67,763
	Payment to auditors (refer note no 34.1)	750	750
	Audit fee for other auditors	450	400
	Printing & stationery	7,740	3,730
	Corporate social responsibility expenses	73,084	75,500
	Remuneration to out sourced services	4,62,023	2,63,117
	Provision for doubtful debts	3,20,300	20,542
	Provision for doubtful advances	7,22,925	30,828
	Data processing charges	7,731	1,542
	Rehabilitation expenses	12,824	9,626
	Donations	13	1,00,000
	Miscellaneous Expenditure	634	2,885
	<b>Total</b>	<b>60,92,311</b>	<b>19,17,063</b>





34.1	Payment to Auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
	Statutory audit fee	750	750
	Total	750	750
35	Income Tax		
	The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:		
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Current tax:		
	Current income tax charge	14,14,594	19,98,586
	Total (a)	14,14,594	19,98,586
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(1,10,184)	(21,588)
	Total (b)	(1,10,184)	(21,588)
	Total	13,04,409	19,67,398
	Other comprehensive income		
	Items that will not be reclassified to P&L	For the year ended March 31, 2020	For the year ended March 31, 2019
	Remeasurement of Defined Benefit Plan Loss/Gain		
	Gratuity	970	(350)
	Leave encashment	2,309	1,721
	Deferred tax on above items	46	(25)
	Total	3,325	1,346
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Profit/(loss) before tax as per statement of profit and loss	47,46,101	52,99,129
	Applicable tax rate as enacted by the relevant Finance Act	25.162 %	34.344 %
	Computed tax expense	11,94,409	18,51,728
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(1,10,184)	(21,588)
	ii) Adjustment due to expenses not considered under T Act		
	a) CSR Expenditure	18,394	26,425
	b) Change in Depreciation	5,418	6,180
	c) Provision for doubtful items	1,36,719	17,934
	d) Other items	59,564	86,700
	Total income tax expense for the year	13,04,409	19,67,398



**36. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2020	As at 31.03.2019
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs 1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt 29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on selgniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>) Aggregate till end of the previous year</p> <p>i) For the year (net off payment)</p>	<p>51,36,610</p> <p>8,94,026</p>	<p>43,73,675</p> <p>7,62,935</p>
vi	<p>As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2018-19, the total demand raised, deposits made and reaming un paid amount.</p> <p>(Details given below)</p>	<p>57,583</p>	<p>57,583</p>
B	<p>Contingent liability on BG's:</p> <p>Bank Guarantees furnished to different Departments on behalf of the company.</p>	<p>63,00,000</p>	<p>63,00,000</p>



C	Capital commitments in respect of unexecuted contracts.	-	15,128
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2019-2020, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,037	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
Less: Share of TSMDC		-	(31,104)	-
Share of APMD C		-	46,860	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,312	-	11,312
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and Cash equivalents	-	-	17,10,993	-	17,10,993
Other Bank balances	-	-	5,53,894	-	5,53,894
Other Financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,329</b>	-	<b>1,58,60,566</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>

As at 31st March, 2019

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	5,368	-	5,368
Loans	-	5,802	30,14,542	-	30,20,344
Trade receivables	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	-	-	6,17,930	-	6,17,930
Other Financial assets	-	-	78,71,316	-	78,71,316
<b>Total</b>	-	<b>5,802</b>	<b>1,29,24,660</b>	-	<b>1,29,30,462</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	1,84,687	1,84,687
Other financial liabilities	-	-	-	33,40,939	33,40,939
<b>Total</b>	-	-	-	<b>35,25,626</b>	<b>35,25,626</b>





### 38. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2019-20	2018-19
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	57,659
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	57,659
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2019-20	2018-19
Ageing	<12 Months	<12 Months
Gross carrying amount	14,89,634	14,15,504
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,89,634	14,15,504

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### 1. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit	
	2019-20	2018-19
Selling price increase by 5%		
Barytes	5,08,883	4,31,076
Agency services	1,55,962	-
Selling price decrease by 5%		
Barytes	(5,08,883)	(4,31,076)
Agency services	(1,55,962)	-



**b. Packing material price risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(410)	410	(993)	993

**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense: Excavation & Transport Charges for run of mine	(15,748)	16,748	(19,395)	19,395
Excavation & Transport Charges for Overburden	(1,13,909)	1,13,909	(66,296)	66,296

**39. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2020**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>



As at 31st March 2019

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	1,84,687	1,84,687	1,84,687	-
Non-current financial liabilities	27,81,670	27,81,670	-	27,81,670
Current financial liabilities	5,59,269	5,59,269	5,59,269	-
<b>Total</b>	<b>35,25,626</b>	<b>35,25,626</b>	<b>7,43,956</b>	<b>27,81,670</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2020	As at 31-03-2019
Employers contribution to provident fund	8,919	8,838
Employers contribution to pension fund	5,442	5,577

##### B. Defined benefit plans

1. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019

Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	63,703	57,113	54,884	51,160
Service cost	2,362	2,405	2,072	1,982
Interest expenses	4,457	4,318	4,029	3,863
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(10,930)	(899)	(4,717)	(916)
Remeasurements - actuarial (gains)/losses	(563)	766	(2,074)	(1,206)
<b>Benefit obligations at the end</b>	<b>59,039</b>	<b>63,703</b>	<b>54,194</b>	<b>54,884</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	64,506	48,973	68,073	48,555
Interest income	4,683	4,182	5,807	4,272
Employer contributions	4,026	12,706	19,992	15,923
Benefits payments from plan assets	(12,259)	(1,770)	(5,243)	(1,197)
Actuarial gain / (loss) on plan assets	406	416	235	515
<b>Benefit obligations at the end</b>	<b>61,363</b>	<b>64,507</b>	<b>88,864</b>	<b>68,073</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
PV of obligations at the end of the year	59,039	63,703	54,194	54,884
Fair value of plan assets at the end of the year	61,363	64,507	88,864	68,073
Liability(+)/Asset(-) recognised in the balance sheet	(2,324)	(803)	(34,670)	(13,189)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Service cost	2,362	2,405	2,072	1,982
Interest expenses	(216)	135	(1,778)	(408)
<b>Net expense recognised</b>	<b>2,146</b>	<b>2,541</b>	<b>294</b>	<b>1,574</b>





iv. Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Actuarial (gain)/losses on obligations for the period	(563)	766	(2,074)	(1,206)
Actuarial (gain)/losses on plan assets for the period	(406)	(416)	(235)	(515)
<b>Net expense recognised</b>	<b>(970)</b>	<b>350</b>	<b>(2,309)</b>	<b>(1,721)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Rate of discounting	6.62%	7.67%	6.62%	7.67%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.42	11.15	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave avallment rate	-	-	2.00%	2.00%

vi. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Expected Cash flow in year 1	22,239	30,539	22,842	26,299
Expected Cash flow in year 2	6,477	3,074	8,451	6,373
Expected Cash flow in year 3	5,995	6,190	6,726	7,166
Expected Cash flow in year 4	6,801	5,732	6,548	5,630
Expected Cash flow in year 5	2,474	6,570	3,706	5,436
Expected Cash flow in year 6	4,062	3,207	3,546	3,109
Expected Cash flow in year 7	4,467	3,895	3,611	2,972
Expected Cash flow in year 8	1,461	4,170	1,646	3,031
Expected Cash flow in year 9	7,323	1,362	2,922	1,341
Expected Cash flow in year 10	2,761	6,890	1,400	2,425





**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		[% of change]	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Under Base Scenario	59,039	63,703	0.00%	0.00%
Salary Escalation - Up by 1%	61,802	66,358	4.70%	4.20%
Salary Escalation - Down by 1%	56,512	61,259	-4.30%	-3.90%
Withdrawal Rates - Up by 1%	59,362	64,133	0.50%	0.70%
Withdrawal Rates - Down by 1%	58,682	63,231	-0.60%	-0.80%
Discount Rates - Up by 1%	56,933	61,740	-3.60%	-3.10%
Discount Rates - Down by 1%	61,386	65,880	4.00%	3.50%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		[% of change]	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Under Base Scenario	54,194	54,884	0.00%	0.00%
Salary Escalation - Up by 1%	55,996	56,622	3.30%	3.10%
Salary Escalation - Down by 1%	52,485	53,231	-3.20%	-3.00%
Withdrawal Rates - Up by 1%	54,317	55,050	0.20%	0.30%
Withdrawal Rates - Down by 1%	54,064	54,707	-0.20%	-0.30%
Discount Rates - Up by 1%	52,914	53,682	-2.40%	-2.20%
Discount Rates - Down by 1%	55,573	56,176	2.50%	2.30%

**(ix). Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**a. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit



payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 41. Earnings per share (EPS)

Particulars	As at 31-03-2020	As at 31-03-2019
Profit after tax before exceptional items	34,47,629	33,16,720
Add: exceptional items	-	-
Profit after tax after exceptional items	34,47,629	33,16,720
Profit available for Equity Shareholders	34,47,629	33,16,720
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	54,670.47	52,594.58
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	54,670.47	52,594.58

#### 42. Segment Information

##### i. Description of segment and principal activities

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. Mining and Sand Operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### ii. Segment revenue and expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### iii. Segment assets and liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs 67,28,557 thousand is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Revenue</b>				
External Revenue *	1,01,77,668	31,19,243	-	1,32,96,910
<b>Total Segment Revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>	<b>-</b>	<b>1,32,96,910</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income	-	-	7,27,512	7,27,512
Unallocated expenses and finance cost	-	-	(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
Exceptional Items				
Profit on investment in JV	-	-	5,938	-
<b>Profit before tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(55,295)</b>	<b>47,52,039</b>
Income tax - Current	-	-	14,14,594	14,14,594
Deferred tax	-	-	(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(13,59,705)</b>	<b>34,47,629</b>



Other Information				
Segment Assets **	42,81,513	14,17,756	2,23,67,649	2,80,66,918
Segment Liabilities **	10,25,741	10,88,149	38,33,882	59,47,772
Capital work in progress	-	13,830	-	13,830
Depreciation and amortisation	36,956	21,768	22,836	81,561
Non-Cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667

\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment

1. Segment assets and liabilities are subject to reconciliation

### 43. Related Party Transactions

#### A. List of related parties

Name of the related party	(% of holding)	
	As at 31-03-2020	As at 31-03-2019
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliyan coal company limited	51.00%	51.00%
Neagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRA <sup>2</sup> minerals private limited	26.00%	26.00%
A <sup>2</sup> coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%



**Key Management Personnel:**

Name of the related party	Relation
Sri Ch Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	Vice Chairman & Managing Director
Sri Y. Bharu Prakash, I.A.S (27.06.2019 to 13.09.2019)	Vice Chairman & Managing Director
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited Machilipatnam Urban Development Authority Rayalaseema Steel Corporation Limited AP High Grade Steel Limited	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	90,845
Pallavared granite private limited	41,259

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
Andhra Pradesh granite (Midwest) private limited	1,50,844	1,25,028
Pallavared granite private limited	59,427	41,844
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2020	As at 31-03-2019
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	19,726
Pallavared granite private limited	10,744	-

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2020	As at 31-03-2019
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Sulyari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
Total	7,679	7,679
Investment derated/provision	7,679	7,679





<b>Investment in joint ventures</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimnax AP barytes beneficiation private limited	13	13
Trimex baryte private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217
<b>Investment in associates</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Sr. Ch.Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	355	2,142
Sri Y.Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)	588	-
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	765	-

**vi. Loan to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
AP state fibernet limited	10,00,000	10,00,000
Machilipatnam urban development authority	20,00,000	20,00,000



**vii. Advance to related parties**

Name of the related party	As at	As at
	31-03-2020	31-03-2019
Rayalaseema steel corporation limited *	32,739	26,095
AP High Grade Steel Limited*	20,000	

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**44. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for Internal Transport and Sand Door Delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the government regarding rates are not available.
  - i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand Boatman Excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal Transportation Services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.



- iv. Door Delivery Transportation Services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of Agency Income and Transportation Income is not available. The same have been initially recognized based on the output from the Code Tree Software. However, the data from Code Tree Software is presently not available and relevant supporting to the Sale Vouchers are also not available. Due to the non-availability of records as explained above, we are unable to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income (83,07,052 MTs) and Quantity booked in Sand Excavation Expenditure (76,63,936 MTs) amounting to 6,43,116 MTs. Similarly, the difference between Internal Transportation Income and Internal Transportation Expense amounting to Rs. 29,27,22,581 could not be reconciled.

- d. Payments to the Sand Excavation, Internal transportation Expense have been based on the certification by the District sand officer/ District Sand In charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s Code Tree Software Solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code Tree was discontinued. Despite several requests, Code Tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the Door Delivery of Sand
- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
- ii. Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
- iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.



- iv. We do not possess the required records to reconcile the difference between the Sand Transportation Door Delivery Income and Sand Transportation Door Delivery Expense, which amounts to Rs. 7,83,52,411/-.
- g. The details of the receipts have not been provided to us by Director of Mines and Geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in Trade Receivable in the name of Director of Mines and Geology amounting to Rs. 20,32,31,193/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. The vouchers nor supporting's were maintained for the bulk payments of Door Delivery of Transportation of Sand and Boatsmen Charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from End Customers directly in our bank account without routing it through Director of Mines and Geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various mode of payments such as DDs, UPIs and Cash directly deposited in our Bank Account. The share owed to Director of Mines and Geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under Unknown Receipts and have been classified as Current Liability due to pending reconciliation with Director of Mines and Geology.
- k. With regards to sand operations through desiltation by Boatsman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
- ii. Since sand transactions were made by the District Administration, the details of the sale transactions are available with them and the same is not available with the company.





- iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
- The District Collector, East Godavari remitted an amount of Rs. 8,51,78,158 on 20th February 2020, which remained in their bank account as on date. As in the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. However, we have not been provided with the details of payments made directly to the boatmen or the receipts from the Director of Mines and Geology (Sand), and therefore, we could not include these transactions in our books due to the lack of records.
  - Regarding West Godavari, sand boatsman entries for the period from 01/10/2019 to 21/11/2019 were processed based on a letter dated 18th November 2019 from the District Collector, amounting to Rs. 7,49,73,153. However, we have not been provided with the details of payments made directly by the boatmen or the receipts from the Director of Mines and Geology (Sand). Additionally, the letter dated 18th November 2019 is currently not available in our records.
  - Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
    - ◆ Sand Boatsmen Excavation Expenses of West Godavari district amounting to Rs.7,56,55,256 for the excavation of 3,61,326 MT's from the period 01-10-2019 to 09-01-2020.
    - ◆ Sand Boatsmen Excavation Expenses of East Godavari district amounting to Rs.8,60,11,418 for the excavation of 3,84,271 MT's from the period 26-11-2019 to 31-03-2020.
- iv. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
- v. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.
- vi. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.





- vii. We do not possess the required records to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income on account of Excavation of Sand Boatsmen (18,95,192 MTs) and Quantity booked in Sand Boatsmen Excavation Charge Expenses (14,24,707MTs), amounting to 4,70,485 MTs. As In the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. Hence this difference in quantities could not be reconciled.

- I. in view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.

**45. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

Subsidiaries	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Associates	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.



Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Tr mex barite private limited	The company has not commenced the operations and non-operative
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**46. Deferred tax asset /(liability)**

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,335	4,860
Provision for decommissioning asset	26,688	18,893
Property, plant and equipment	4,299	16,921
Other provisions	1,88,320	70,785
<b>Total deferred tax asset</b>	<b>221,643</b>	<b>1,11,459</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Investments	2,517	2,563
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,563</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,19,126</b>	<b>1,08,896</b>

**47. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.88,374(Previous Year Rs.80,561).
- b. Amount spent during the year

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Construction/ acquisition of any assets	-	-
Purpose other than above	73,084	75,620

**48. Treatment demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.



- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC –58.32%
- TSMDC –41.68%

- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019 20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	5,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,027	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>





#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.78,50,479/- Thousands (Sweep accounts of Rs.75,954 /- and fixed deposits of Rs.77,74,525 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan





agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs. in, Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
Total		100.00

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### 50. Loan to Machilipatnam Urban Development Authority (MUDA)

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### 51. Advance to Rayalaseema steel corporation limited

Company has paid an amount of Rs.3.27 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed, in view of the uncertainty in realising the



advanced amount, an amount of Rs.3.27 crores have been provided towards provision for doubtful advance.

#### **52. Advance to AP High Grade Steel Limited**

As per the endorsement of Special Chief Secretary, Industries & Commerce Department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to District Collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404th meeting held on 17-07-2020.

Further, no agreement has executed between the company and AP High Grade Steels Limited as on 31<sup>st</sup> March, 2020, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and District Collector, YSR Kadapa district, an amount of Rs.3.00 crores have been provided towards provision for doubtful advance.

#### **53. Loan to M/s. Thriveni Earth Movers Private Limited**

During the year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private Limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35 Crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory so far, the corporation release an amount of Rs.30 Crores on March 18, 2020, against the bank guarantee. This amount to be deducted in 13 instalments from the ongoing bills, with the applicable prevailing interest rates.

#### **54. Non valuation of Inventory**

##### **a. C+D+W Grade of Barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is



recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (50.19 lakhs MTs) is considered without value.

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS Contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS Contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the year, the company terminated the contract with the RCS Contractor for violation of the mining rules, and the contractor handed over the stock of 2.13 lakh MT (including 2.128 lakhs MT of 2<sup>nd</sup> Grade), which the company has not valued.

#### 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
Total		25,56.86

#### 56. Additional Information

##### 56.1 Particulars of consumption of raw material

Particulars	(Rs. in. Thousands)			
	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
	Value	Percentage	Value	Percentage
Raw material				
Imported				
Indigenous	8,191	100.00	18,458	100.00
Total	8,191	100.00	18,458	100.00



## 56.2 Particulars of consumption of stores & spares

Particulars	(Rs. In. Thousands)			
	Figures as at the end of		Figures as at the end of	
	31 <sup>st</sup> March, 2020		31 <sup>st</sup> March, 2019	
Stores & spares	Value	Percentage	Value	Percentage
Imported	-	-	-	-
Indigenous	10,126	100.00	15,891	100.00
<b>Total</b>	<b>10,126</b>	<b>100.00</b>	<b>15,891</b>	<b>100.00</b>

## 57. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November, 2022 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019, the board of directors of the company in their meeting held on 21<sup>st</sup> October, 2022 approved the financial statements for the ending 31<sup>st</sup> March, 2019. The reported amounts as on 31<sup>st</sup> March, 2020 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 58. Ind AS 116 Leases

Ministry of corporate Affairs has notified "The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia include the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the April 1, 2019. The company has applied the standard to its leases using modified retrospective approach and comparative information is not restated.

This has resulted in the recognising of Right-of-Use Assets of Rs.24,478/- thousands with a corresponding lease liability of Rs. 27,526/- thousands and the difference of Rs. 3,048/- has been adjusted to the opening equity (retained earnings) as of April 01, 2019. The impact on profit for the period is not material.





## 59. General


- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to conform to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325

  
Dondeti Teja Sagar  
Partner  
Mem No.227878




for and on behalf of the board of directors

  
V.G.Venkata Reddy

VC&MD  
DIN:08805525

Raman Narayanan

  
Director  
DIN: 10267130

  
A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: August 22, 2023



Place: Visakhapatnam  
Date: 22<sup>nd</sup> September, 2023

UDIN: 23227878 BGQLSS148L





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2021, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements")

We do not express an opinion on accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

#### **Basis for Disclaimer of Opinion**

- i) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	58,47,13,883	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,48,36,82,797	Cr



3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	91,24,99,128	Cr
4	APMDC - ISMDC - Advances	9	Other Non-current Assets	21,89,97,218	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,32,86,82,758	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,15,97,96,553	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	19,19,55,752	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,13,41,11,543	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,78,72,936	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	25,04,83,888	Dr
11	Int. Accr. on FDR kept for BG's	14	Other Financial Assets (Current)	45,25,955	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	4,49,14,142	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	3,28,59,913	Dr
14	Int. on Fixed Deposits	26	Other Income	38,14,60,577	Cr
15	Int. on FD kept for BG	26	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	3,86,41,314	Cr
17	Int. on Sweep account SBI, Khairatabad	26	Other Income	33,93,823	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,80,07,426	Dr

ii) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2021 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.

iii) The following Ledger balances as on March 31, 2021 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2021 (in Rs.)
Adv.to EE Panch Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDQ Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,16,36,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796



Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supporting's are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.
- v) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vi) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court fees payable amounting to Rs. 67.22 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- vii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- viii) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act.



Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.

- x) The company has Trade Receivables balance amounting to Rs. 142.07 Crores and advance from customers amounting to Rs. 20.20 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 142.07 Crores and Advance from Customers amounting to Rs. 20.20 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.
- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	50,82,476	Dr
2	Sri B.Kurnaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-IV	5,42,81,225	Dr
4	Sr. R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xii) The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Ardhra Pradesh State Fiber Net Limited ("APSFN"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFN has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20 and Financial year 2020-21 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFN are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFN, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.





- xiii) The company has accounted for interest on credit sales amounting to Rs. 2.18 crores for the financial year 2020-21. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2021 has not been recognised which is not in line with the accounting policy followed by the company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2021. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xiv) Balance in Suspense Account amounting to Rs. 1,17,75,403 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xv) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
  - b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification.





- c) As per the financial statements for Financial Year 2020-21, no reconciliation has been provided with respect to Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology up to 31<sup>st</sup> March 2021. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- d) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilo meter (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Company with the Transporters. The transportation charges payable has to be derived based on the Kilometers as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometers certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometers as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- e) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- f) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supporting's are not available for verification, the details of which are as follows:
- i. Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.



- ii. Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
- iii. TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- g) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- h) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2020-21. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2021.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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



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

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

#### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matters**

1. The financial statements of the Company for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022 and 22<sup>nd</sup> August 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019 and March 31, 2020, the Board of Directors of the Company in their meeting held on 10<sup>nd</sup> October 2023 approved the financial statements for the year ended March 31, 2021.



Consequently, we have conducted our audit for the year ended March 31, 2021 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2021 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 and subsequent approval at the Annual General Meetings.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Company.
  - f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable, as the Company is a Government Company.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:





Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 36 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



**For Chowdary & Rao  
Chartered Accountants**

FRN 0006563

CA. A.V. Raghava Rao  
Partner

M. No. 200578

UDIN: 23800578BGXUFG9557



### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2021)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2021, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of Inventory has been conducted by the Management during the year. However, there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we are unable to comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.



- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

S.No	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Tax deducted at Source	2019-20	8,32,824
2	Central Goods and Services Tax, Act	Tax deducted at Source	2019-20	1,29,16,730
3	Income Tax Act	Tax deducted at Source	2018-19	5,01,375
4	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
5	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	90,66,196
6	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2019-21	12,93,66,241
7	Mines and Minerals (Development Regulation Act)	Royalty from Sub-leaseholders	2018-19 to 2019-21	11,32,003

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643



5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,871
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As per Notification GSR 463 [E] dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause (xi) of Paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) of Paragraph 3 of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.



- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1931. Accordingly, Cause (xvi) of Paragraph 3 of the Order is not applicable.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023

For Chowdary & Rao  
Chartered Accountants  
FRN 0006565  
  
CA. A.V. Raghava Rao  
Partner  
M. No :200578  
UDIN: 23200578B6XU49551



## **Annexure - B to the Independent Auditors' Report**

[Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2021]

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and





- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2021.

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting.

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations,
  - i) The company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - ii) Periodic Reconciliation of Bank Balances have not been done.
  - iii) Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.



- iv. Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, FMD/PSD register, register of contractors and register of tender schedules so d.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2021 and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a Disclaimer of opinion on the standalone financial statements of the Company.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

CA. A.V. Raghava Rao  
Partner  
M. No: 200578

UDIN: 23200578BGXUFG9551

**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year company has not raised any loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2021.</p>



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment report and as confirmed by the management, no such instances have taken place during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory and stores and spares in FY 2020-21 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2020-21 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2020-21.





13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2020-21 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2020-21.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
15.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000650S

CA. A.V. Raghava Rao  
Partner  
Mem No: 200578

UDIN: 23200578BGXUFU9551

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone balance sheet as at March 31, 2021

All amounts are in thousands, unless otherwise stated

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,53,019	7,31,980
Right-of-use assets	3	14,382	24,524
Capital work in progress	3	2,405	11,840
Other intangible assets	3	41,430	44,541
Intangible assets under development	3	84,09,918	62,71,043
<b>Financial assets</b>			
Investments	4	11,012	11,027
Loans	5	3,49,124	5,99,409
Other financial assets	6	25,62,186	79,52,731
Deferred tax assets (net)	7	2,61,353	2,19,125
Non-current tax assets	8	8,85,414	8,85,414
Other non-current assets	9	35,57,370	29,76,834
<b>Total non-current assets</b>		<b>2,27,47,513</b>	<b>1,97,25,958</b>
<b>Current assets</b>			
Inventories	10	17,29,180	7,85,821
<b>Financial assets</b>			
Trade receivables	11	10,42,706	14,89,634
Cash and cash equivalents	12	12,32,990	17,16,998
Other bank balances	12	1,02,576	5,53,894
Loans	13	27,11,568	30,47,288
Other financial assets	14	3,11,766	4,99,805
Other current assets	15	13,91,179	2,58,219
<b>Total current assets</b>		<b>85,44,066</b>	<b>83,40,674</b>
<b>TOTAL ASSETS</b>		<b>3,12,91,579</b>	<b>2,80,66,632</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	2,33,78,774	2,20,55,798
<b>Total equity</b>		<b>2,34,41,836</b>	<b>2,21,18,860</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	32,54,943	30,73,179
Provisions	19	1,13,994	1,06,041
Other non-current liabilities	20	25,432	75,432
<b>Total non-current liabilities</b>		<b>33,94,370</b>	<b>32,04,652</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	10,70,340	8,64,306
Other financial liabilities	22	11,51,376	8,74,948
Other current liabilities	23	14,88,053	4,84,231
Current tax liabilities	24	6,44,703	5,69,635
<b>Total current liabilities</b>		<b>44,55,373</b>	<b>27,43,120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,12,91,579</b>	<b>2,80,66,632</b>

Notes to financial statements

1-57

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

A.V. Raghava Rao  
 Partner  
 Mem No.200578



UDIN: 23200578 BGXUF09551

Place : Vijayawada

Date : October 10, 2023

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
 VC & MD  
 DIN: 08805525

Raman Narayanan  
 Director  
 DIN: 10267130

A.Nageswara Reddy  
 General Manager - F&A



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2021**  
 A-I amounts are in thousands, unless otherwise stated


Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	25	1,81,80,719	1,32,96,911
Other income	25	5,52,882	7,15,977
<b>Total income</b>		<b>1,87,33,601</b>	<b>1,40,12,888</b>
<b>Expenses</b>			
Cost of materials consumed	27		8,191
Change in inventories of finished goods	28	(9,42,875)	1,40,945
Employee benefits expense	29	3,14,361	3,37,799
Finance costs	30	12,856	11,098
Depreciation and amortization expense	31	1,67,539	81,561
Power and fuel	32	57,966	41,748
Excavation & transport charges	33	28,57,966	26,13,176
Other expenses	34	1,43,60,306	50,92,311
<b>Total expenses</b>		<b>1,68,28,118</b>	<b>93,25,787</b>
<b>Profit before exceptional items and tax</b>		<b>19,04,983</b>	<b>47,46,101</b>
<b>Add : Exceptional items (Net)</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>19,04,983</b>	<b>47,46,101</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	35	5,13,016	14,14,594
Deferred tax	35	(42,227)	(1,10,184)
<b>Total tax expense/ (benefit)</b>		<b>5,80,789</b>	<b>13,04,409</b>
<b>Profit for the year from continuing operations</b>		<b>13,24,193</b>	<b>34,41,691</b>
Profit from discontinuing operations		-	-
<b>Less : Tax expense of discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>13,24,193</b>	<b>34,41,691</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(1,218)	3,279
Income tax on above items		-	46
<b>Total other comprehensive income for the year (B)</b>		<b>(1,218)</b>	<b>3,325</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>13,22,975</b>	<b>34,45,016</b>
<b>Earnings per equity share (in Rs) -</b> [Nominal value of share Rs.1000/-]			
- Basic	41	20,998.27	54,576.32
- Diluted		20,998.27	54,576.32
<b>Notes to financial statements</b>	1-57		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

  
 A.V. Raghava Rao  
 Partner  
 Mem No 200478



  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: C8805525

  
 Raman Narayanan  
 Director  
 D.N. 10267130

  
 A. Nageswara Reddy  
 General Manager - F&A



UDIN: 23200578 BGXUFU 9551  
 Place : Vijayawada  
 Date : October 10, 2023

## Statement of changes in equity for the year ended March 31, 2023

## Balance Sheet as at March 31, 2023

## A. Equity share capital

Particulars	No. of Shares	(Rs. in '000's) Disposals/ adjustments/ transfer
Balance as at April 1, 2019	63,062	61,352
Changes in equity share capital during 2019-20	-	-
Balance as at April 1, 2020	63,062	61,352
Changes in equity share capital during 2020-21	-	-
Balance as at March 31, 2021	63,062	61,352

## B. Other equity

(Rs. in '000's)

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 1, 2019	11,000	81,108	17,04,981	1,68,18,412	(8,637)	10,039	(3,034)	1,88,13,829
Profit for the year	-	-	-	34,41,692	-	-	-	34,41,692
Other comprehensive income for the year	-	-	-	-	-	3,220	46	3,326
Total comprehensive income for the year	-	-	-	34,41,692	-	3,220	46	34,45,038
Transfer to reserve for bad and doubtful debts	-	4,248	-	(4,248)	-	-	-	-
Adjustment for lease rentals under FNO AS - 116	-	-	-	(1,348)	-	-	-	(1,348)
Balance as at March 31, 2020	11,000	85,356	17,04,981	2,02,49,810	(8,637)	13,259	(2,988)	2,20,55,799
Profit for the year	-	-	-	13,24,193	-	-	-	13,24,193
Other comprehensive income for the year	-	-	-	-	-	(1,218)	-	(1,218)
Other comprehensive income for the year	-	-	-	13,24,193	-	(1,218)	-	13,22,975
Transfer to reserve for bad and doubtful debts	-	(25,609)	-	25,609	-	-	-	-
Balance as at March 31, 2021	11,000	59,747	17,04,981	2,15,98,612	(8,637)	12,041	(2,988)	2,33,78,774

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

A. Nageswara Reddy  
General Manager - &A

Raman Narayanan  
Director  
DIN: 10267130



UDIN: 23200578 BGXU FU9551

Place : Vijayawada  
Date : October 10, 2023

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone cash flow statement for the year ended March 31, 2021**  
 All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	19,04,985	47,06,101
Adjustments for:		
Interest expense	7,667	1,180
Unwinding of discounting on provisions	10,134	9,912
Interest income	(5,71,674)	(6,81,802)
Depreciation and amortization expense	1,67,538	81,561
Provision for bad & doubtful debts	-	1,23,100
Provision for bad & doubtful advances	90,000	2,22,925
Liabilities no longer required written back	(203)	(46,591)
<b>Operating profit before working capital changes</b>	<b>15,41,543</b>	<b>46,53,592</b>
Adjustments for:		
Increase/(decrease) in trade payables	2,06,034	6,55,140
Increase/(decrease) in provisions	(3,250)	31,934
Increase/(decrease) in other financial liabilities	6,19,585	5,65,249
Increase/(decrease) in other liabilities	10,04,724	(1,52,871)
Decrease/(increase) in trade receivables	4,46,528	(3,94,470)
Decrease/(increase) in inventories	(3,43,459)	1,34,726
Decrease/(increase) in other assets	(18,08,577)	(7,26,612)
Decrease/(increase) in other financial assets	(4,43,916)	(5,83,721)
<b>Cash generated from operations</b>	<b>7,19,605</b>	<b>42,36,008</b>
Direct taxes paid (net of refunds)	5,47,948	17,73,990
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,71,657</b>	<b>24,62,018</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWP and capital advances	(72,02,573)	(8,65,263)
Movements in other bank balance	4,51,718	(5,51,894)
Loans repaid / given to parties	5,88,500	(5,98,500)
Loans repaid / given to staff	(6,285)	(33,853)
Interest received	5,33,630	6,81,802
Proceeds from sale of NSC bonds	15	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6,35,606)</b>	<b>(23,59,707)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(2,662)	(1,186)
Payment of lease liability	(11,392)	(8,662)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(14,054)</b>	<b>(9,248)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(4,78,001)</b>	<b>10,93,063</b>
Cash and cash equivalents at the beginning of the year	17,10,993	6,17,530
<b>Cash and cash equivalents at the end of the year</b>	<b>12,32,990</b>	<b>17,10,993</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	325	609
Balances with scheduled banks		
With current accounts	12,32,665	17,10,383
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>12,32,990</b>	<b>17,10,993</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as per part (ii) of AS - 7

As per our report of even date

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

  
**A.V. Raghava Rao**  
 Partner  
 Mem No. 200578



For and on behalf of the Board of Directors

  
**V.G. Venkata Reddy**  
 VC & MD  
 DIN: 08805525

  
**Raman Narayanan**  
 Director  
 DIN: 10267130

  
**A. Nageswara Reddy**  
 General Manager - F&A



**UDIN: 23200578BGXUFU9551**

Place : Vijayawada

Date : October 10, 2023



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/10, 100 ft road, Kanuru Village, Penamuru Mandal, Vijayawada, Andhra Pradesh 521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:

- i. represent faithfully the financial position, financial performance and cash flows of the Company;
- ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
- iii. are neutral, i.e., free from bias;
- iv. are prudent; and
- v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.



### iii. Dividend

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

### iv. Interest Income

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### g. Property, plant and equipment

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.





**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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



The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

**Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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



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

**Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.



Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books.





Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation can not be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.

#### **r. Leases**

The company has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.





The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.



All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.



**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.



A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**II. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**III. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data,
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.





Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.





**The Andhra Pradesh Mineral Development Corporation Limited**

**Property, plant and equipment, capital work in progress, intangible assets, intangible assets under development, right of use asset for the year ended March 31, 2021**

**Note -5**

Particulars	Gross block			Accumulated depreciation/amortisation				Net block		
	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal / adjustments/ Transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Freehold land	2,80,337	-	-	2,80,337	-	-	-	-	2,80,337	2,80,337
Buildings	43,702	-	-	43,702	15,982	2,918	-	22,900	20,802	23,720
Plant and machinery	2,99,523	11,525	-	3,11,048	95,675	29,912	-	1,35,587	1,75,461	2,03,848
Furniture & fixtures	19,048	67	-	19,095	5,421	2,576	-	11,999	7,997	9,605
Vehicles	19,518	-	-	19,598	9,037	3,308	-	12,345	7,253	10,561
Office equipment	2,00,857	58,661	-	2,59,518	31,005	99,308	-	1,24,313	1,35,206	1,63,857
Mining and equipment	70,901	-	-	70,901	46,732	5,367	-	51,794	19,107	24,169
Data processing equipment	18,425	5,438	-	23,913	14,848	4,253	-	19,103	4,812	3,627
Tent & huts	3,131	-	-	3,131	2,790	129	-	2,919	712	345
House hold improvements	25,450	-	-	25,450	19,540	3,187	-	27,717	1,732	5,940
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,653	-	4,03,675	6,53,019	7,31,981
Less: Depreciation capitalised during the year	-	-	-	-	-	168	-	-	-	-
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,284	-	4,03,675	6,53,019	7,31,981
Previous year - 2019-20	6,59,454	3,21,548	-	9,81,002	1,78,682	69,865	-	2,49,022	7,31,980	6,80,773
Leased assets	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal / adjustments/ Transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Right of use asset	33,280	-	-	33,280	8,765	10,142	-	18,906	14,387	24,524
Total	33,280	-	-	33,280	-	10,142	-	18,906	14,387	24,524
Previous year - 2019-20	29,478	8,811	-	33,289	-	8,765	-	8,765	24,524	-
Other intangible assets										
Particulars	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal / adjustments/ Transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Computer software	3,153	-	-	3,153	2,630	281	-	2,911	442	723
Intangible property	46,554	-	-	46,554	2,736	2,831	-	5,567	40,988	43,818
Total	49,907	-	-	49,907	5,366	3,112	-	8,478	41,430	44,542
Previous year - 2019-20	5,329	44,578	-	49,907	2,835	2,931	-	5,366	44,541	2,894
Exploration intangible assets under development	62,71,043	21,38,875	-	84,09,918	-	-	-	-	84,09,918	62,71,043
Previous year - 2019-20	57,97,120	4,73,923	-	62,71,043	-	-	-	-	62,71,043	57,97,120
Capital work in progress	13,830	-	11,525	2,505	-	-	-	-	2,505	13,830
Previous year - 2019-20	-	13,830	-	13,830	-	-	-	-	13,830	-



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

4	Non current investments	As at March 31, 2021	As at March 31, 2020
	Unquoted equity instruments - investments measured at cost Investment in subsidiary companies		
	i. M/s. APMDCC - SCCL suliyari coal company limited 5,100 equity shares (March 31, 2020: 5,100) of Rs. 10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Nagam iron company limited 3,000 equity shares (March 31, 2020: 3,000) of Rs. 100/- each fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s. Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2020: 56,100) of Rs. 10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited. 1,110 equity shares (March 31, 2020: 1,110) of Rs. 1000/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in Associates		
	v. M/s. Aswani mineral development private limited. 65,000 equity shares (March 31, 2020: 65,000) of Rs. 10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Aiham minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Iva minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangasree granites private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. K. P granites private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A. P. coastal sands & metals private limited, 13,000 equity shares (March 31, 2020: 13,000) of Rs. 10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh metal mining private limited 28,600 equity shares (March 31, 2020: 28,600) of Rs. 10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)



Investment in Joint Ventures			
xv. M/s A.P. Granite (India) Private Limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs.10/- each fully paid up		11,000	11,000
xvi. M/s Alliance A.P. Black Galaxy Granite Private Limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs.10/- each fully paid up		11,000	11,000
Less: Provision made for diminution in the value of shares		(11,000)	(11,000)
xvii. M/s Followed Granite Private Limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs.10/- each fully paid up		11,000	11,000
Less: Provision made for diminution in the value of shares		(11,000)	(11,000)
xviii. M/s Gimpes A.P. Granite Beneficiation Private Limited 1,100 equity shares (March 31, 2020: 1,100) of Rs.10/- each fully paid up		11	11
Less: Provision made for diminution in the value of shares		(11)	(11)
xix. M/s Andhra Granite Corporation Private Limited 8,52,500 equity shares (March 31, 2020: 8,52,500) of Rs.10/- each fully paid up		8,525	8,525
Less: Provision made for diminution in the value of shares		(8,525)	(8,525)
xx. M/s Andhra Pradesh Iron Ore Company Limited 6,850 equity shares (March 31, 2020: 6,850) of Rs.10/- each fully paid up		68	68
Less: Provision made for diminution in the value of shares		(68)	(68)
xxi. M/s Iron Ore Bhande Private Limited 4,50,000 equity shares (March 31, 2020: 4,50,000) of Rs.10/- each fully paid up		4,500	4,500
Less: Provision made for diminution in the value of shares		(4,500)	(4,500)
xxii. M/s V.K. Minerals Private Limited 1,100 equity shares (March 31, 2020: 1,100) of Rs.10/- each fully paid up		110	110
Less: Provision made for diminution in the value of shares		(110)	(110)
Investments measured at amortised cost			
Investment in Government Securities (unquoted)		7,096	7,114
Less: Provision made for doubtful investment		(7,087)	(7,087)
		11,012	11,027
Aggregate amount of quoted investments - Market value		-	-
Aggregate amount of quoted investments - Book value		-	-
Aggregate amount of unquoted investments		11,012	11,027
Aggregate amount of impairment		11,012	11,012
Aggregate Provision made for doubtful investment		7,087	7,087
5			
Loans (Non-current)		As at March 31, 2021	As at March 31, 2020
Deposits and others			
Unsecured, considered good		10,883	10,182
Unsecured, considered doubtful		9,326	9,369
Less: Provision for doubtful debts		(9,326)	(9,369)
Loan to others			
Unsecured, considered good		3,00,000	1,40,000
Loan to A.P. State Fibres - Refer Note 48			
Borrow and advances to employees			
Unsecured, considered good		38,243	15,027
Unsecured, considered doubtful		854	854
Less: Allowance for bad and doubtful debts		(854)	(854)
Total		3,49,174	1,95,409



6 Other financial assets (Non-current)		As at March 31, 2021	As at March 31, 2020
Unsecured, considered good - Refer note 47			
Balance in current accounts (Feesed)		18,007	17,422
Long term bank deposits		24,06,106	78,58,855
Sweep accounts		77,873	75,354
Unsecured, considered doubtful			
Balance in post office savings account		4,042	4,042
Less: Provision for doubtful		(4,042)	(4,042)
Total		85,62,186	79,53,331
7		As at March 31, 2021	As at March 31, 2020
Deferred tax asset (Net)			
Deferred tax asset			
Property, plant & equipment		22,081	4,299
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis		1,279	2,135
Provision for decommissioning costs		28,690	26,688
Provision for leave liability / assets		774	862
Provision for bad & doubtful debts, investments & advances		2,10,097	1,87,458
Total deferred tax asset		2,63,870	2,21,643
Deferred tax liability			
Investment		(2,517)	(2,517)
Total deferred tax liability		(2,517)	(2,517)
Net deferred tax asset		2,61,353	2,19,126
8		As at March 31, 2021	As at March 31, 2020
Non current tax assets			
Income Tax			
Corporate tax receivable		8,85,414	8,85,414
Total		8,85,414	8,85,414
9		As at March 31, 2021	As at March 31, 2020
Other non-current assets			
A) Capital advances			
Unsecured, considered good		2,39,367	2,39,187
Unsecured, considered doubtful		26,023	26,021
Provision for doubtful advances		(26,023)	(26,023)
		2,39,367	2,39,187
B) Advances other than capital advances			
Unsecured, considered good		19,57,718	13,90,934
Unsecured, considered doubtful		1,78,841	38,893
Less: Provision for doubtful advances		(1,78,893)	(38,893)
		19,57,716	13,90,934
C) Others specified			
Unsecured, considered good		11,60,115	11,45,877
Unsecured, considered doubtful		1,98,772	1,58,875
Less: Provision for doubtful advances		(1,98,772)	(1,58,875)
Prepaid expenses		157	658
Total		35,57,370	29,76,834
10		As at March 31, 2021	As at March 31, 2020
Inventories			
Finished goods			
Less: Provision for obsolete stock		17,15,559	7,73,884
		(799)	(799)
Stores and spares		15,770	13,136
Total		17,14,760	7,85,821



11	Trade receivables (Current)	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good	10,42,706	10,69,634
	Unsecured, considered credit impaired	3,77,960	3,77,960
	Less: Impairment allowance for doubtful debts	(3,77,960)	(3,77,960)
	Total	10,42,706	10,69,634
12	Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
	Cash and cash equivalents		
	Balances with banks in current accounts	12,32,665	17,10,383
	Cash on hand	125	609
	(a)	12,32,790	17,10,993
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	1,02,676	5,53,894
	(b)	1,02,676	5,53,894
	Total	13,35,466	22,64,887
13	Loans (current)	As at March 31, 2021	As at March 31, 2020
	Loans to others		
	Unsecured, considered good		
	Loan to AP State Internet Limited & Machilipatnam Urban Development Authority Refer Note 48 & 49	27,00,000	24,50,000
	Others Refer Note 52		5,88,533
	Loans and advances to employees		
	Unsecured, considered good	11,568	8,788
	Total	27,11,568	30,47,321
14	Other financial assets (Current)	As at March 31, 2021	As at March 31, 2020
	Advances receivable in cash		
	Unsecured, considered good		1,315
	Interest accrued on deposits		
	Unsecured, considered good	9,31,766	4,96,490
	Unsecured, considered doubtful	24,423	24,118
	Less: Provision made	(24,423)	(24,118)
	Total	9,18,766	4,99,805
15	Other current assets	As at March 31, 2021	As at March 31, 2020
	A) Advances recoverable		
	Unsecured, considered good	56,011	57,102
		56,011	37,302
	B) Others - specified		
	Unsecured, considered good		
	Balance with regulatory authorities	11,45,037	1,26,632
	Prepaid expenses	52,150	50,740
	Others	18,041	18,556
		13,15,268	2,15,937
	Total	13,91,279	2,53,239





16	Equity share capital	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital.</b> 1,00,000 equity shares of Rs.1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs.1000/- each)		1,00,000	1,00,000
		1,00,000	1,00,000
<b>Issued, subscribed and fully paid up share Capital.</b> 63,062 equity shares of Rs.1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs.1000/- each)		63,062	63,062
		63,062	63,062
<b>16.1 Additional notes:</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2021	As at March 31, 2020
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the share holder	As at March 31, 2021	As at March 31, 2020
	Governor of the Andhra Pradesh- represented by assistant secretary to Government (Investment, Industries & Commerce) department	63,059 (100%)	63,059 (100%)
<b>17</b>			
	Other equity	As at March 31, 2021	As at March 31, 2020
<b>Capital reserves</b>			
Free ride equity shares for consideration other than cash allotted by			
i. M/s. Aswani Mineral development private limited			
55,000 equity shares (March 31, 2020: 55,000) of Rs.10/- each			
Fully paid up		650	650
Less: Provision made for diminution in the value of shares		(650)	(650)
ii. M/s SRAP mineral private limited			
1,25,000 equity shares (March 31, 2020: 1,25,000) of Rs.10/- each			
Fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)
iii. Arham minerals exports private limited			
1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs.10/- each			
Fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
iv. Sri Minerals exports private limited			
1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs.10/- each			
Fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
v. Mangrove granites private limited			
1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs.10/- each			
Fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
vi. Ongole minerals exports private limited			
1,25,000 equity shares (March 31, 2020: 1,25,000) of Rs.10/- each			
Fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)



vi. RLP granites private limited 3,25,000 equity shares(March 31, 2020: 3,25,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vii. As/s.P.granites(midland) private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs 10/- each fully paid up	11,000 -	11,000 -
ix. M/s.Alliance O.P.black galaxy granites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
x. M/s.Pallava red granites private limited 1,10,000 equity shares(March 31, 2020: 1,10,000) of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
xi. M/s.A.P coastal sands & metals private limited.. 13,000 equity shares(March 31, 2020: 13,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
xii. M/s.Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2020: 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)
xiii. M/s.Gunpur AP barites beneficiation private limited 1,320 equity shares(March 31, 2020: 1,320) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xiv. M/s.Andhra barite corporation private limited 8,52,500 equity shares(March 31, 2020: 8,52,500) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xv. M/s.Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2020: 6,850) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
xvi. M/s.Times barite private limited 4,50,000 equity shares(March 31, 2020: 4,50,000) of Rs.10/- each full paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xvii. M/s.V.V. minerals private limited 1,100 equity shares(March 31, 2020: 1,100) of Rs 100/- each full paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
	11,000	11,000
Other comprehensive income		
Opening balance	4,671	1,346
Other comprehensive income for the year	(1,218)	3,325
Add/(less): Transferred from/(to) retained earnings	-	-
Closing balance	3,453	4,671
Reserve for bad and doubtful debts		
Opening balance	85,336	83,138
Add/(less): Transferred from/(to) profit and loss account	(24,605)	4,248
Closing balance	60,731	87,386



<b>General reserve</b>		
Opening balance	17,01,911	17,04,961
Impact of transition to Ind AS 116	-	(1,018)
Closing balance	17,01,911	17,01,911
<b>Retained earnings</b>		
Opening balance	1,62,56,857	1,68,15,413
Add/(Less): Profit for the year	19,24,195	36,41,691
	1,81,81,052	2,04,57,105
Less: Appropriations		
Reserve for bad and doubtful debts	(75,609)	4,248
Total appropriations	(75,609)	4,248
Closing balance	1,81,05,443	2,08,81,353
<b>Total</b>	<b>2,33,78,774</b>	<b>2,20,55,798</b>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	Other financial liabilities (Non-current)	As at March 31, 2021	As at March 31, 2020
	Expenses payable against infrastructure development	68,714	68,714
	Deposits	17,280	17,380
	Others	31,64,945	29,87,184
	<b>Total</b>	<b>32,54,949</b>	<b>30,73,179</b>

19	Provisions (Non-current)	As at March 31, 2021	As at March 31, 2020
	Provision for others:		
	Provision for decommissioning cost	1,13,994	1,06,011
	<b>Total</b>	<b>1,13,994</b>	<b>1,06,011</b>

20	Other non-current liabilities	As at March 31, 2021	As at March 31, 2020
	Others:		
	Statutory liabilities	25,432	25,432
	<b>Total</b>	<b>25,432</b>	<b>25,432</b>

21	Trade payables (Current)	As at March 31, 2021	As at March 31, 2020
	Trade payables:		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	10,70,340	8,64,306
	<b>Total</b>	<b>10,70,340</b>	<b>8,64,306</b>

Micro and small enterprises under the micro and small enterprises development Act 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSMED Act		
<b>Total</b>		

Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information supplied by the management.



22	Other financial liabilities (Current)	As at March 31, 2021	As at March 31, 2020
	Salaries & other benefits payable	29,858	16,542
	Earnest money and security deposits from customers	4,35,600	1,85,763
	Other payables	7,51,922	5,22,643
	<b>Total</b>	<b>12,17,380</b>	<b>8,24,948</b>
23	Other current liabilities	As at March 31, 2021	As at March 31, 2020
	Advance from customers	2,02,063	89,128
	Statutory liabilities	12,75,147	1,91,348
	Unknown receipts/suspense	11,775	3,712
	<b>Total</b>	<b>14,88,985</b>	<b>4,84,188</b>
24	Current tax liabilities	As at March 31, 2021	As at March 31, 2020
	Provision for income tax	6,44,703	5,69,635
	<b>Total</b>	<b>6,44,703</b>	<b>5,69,635</b>



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to standalone financial statements for the year ended March 31, 2021  
 All amounts are in thousands, unless otherwise stated

25	Revenue From operations	For the year ended March 31, 2021	For the year ended March 31, 2020
	Sale of products	48,97,111	1,00,28,744
	Sale of services		
	Agency services including transportation	1,28,74,328	31,19,243
	Others	4,08,580	1,48,924
	<b>Total</b>	<b>1,81,80,219</b>	<b>1,32,96,911</b>
26	Other income	For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest income		
	Bank deposits	4,67,457	5,26,125
	Loans	267	311
	Others	65,906	55,366
	Other non operating income		
	Rent receipts	671	661
	Forfeiture of security deposit	15,574	1,500
	Sale of tender documents	2,743	4,984
	Liabilities no longer required written back	203	46,590
	Penalties on buyers and millers	-	8,370
	Other miscellaneous income	61	32,370
	<b>Total</b>	<b>5,52,882</b>	<b>7,75,977</b>
27	Profit after tax for the year (A)	For the year ended March 31, 2021	For the year ended March 31, 2020
	Packing material	-	8,193
	<b>Total</b>	<b>-</b>	<b>8,193</b>
28	Changes in inventories of finished goods	For the year ended March 31, 2021	For the year ended March 31, 2020
	a) Opening stock of finished goods	7,73,484	9,14,479
		7,73,484	9,14,429
	b) Closing stock of finished goods	17,16,359	7,73,484
		17,16,359	7,73,484
	<b>Changes in inventories of finished goods</b>	<b>(9,42,875)</b>	<b>1,40,945</b>
29	Employee benefit expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries and wages	2,55,365	2,54,365
	Contribution to provident fund and other funds	31,407	48,023
	Staff welfare expenses	27,569	24,990
	<b>Total</b>	<b>3,14,361</b>	<b>3,27,796</b>
30	Finance costs	For the year ended March 31, 2021	For the year ended March 31, 2020
	Unwinding of discount on provision	10,154	9,912
	Interest	2,662	1,186
	<b>Total</b>	<b>12,816</b>	<b>11,098</b>





31	Depreciation and amortisation expense	For the year ended March 31, 2021	For the year ended March 31, 2020
	Depreciation of property, plant and equipment	1,54,284	72,330
	Amortisation of intangible assets	3,112	465
	Depreciation on right of use assets	10,142	8,755
	<b>Total</b>	<b>1,67,538</b>	<b>81,551</b>
32	Power and fuel	For the year ended March 31, 2021	For the year ended March 31, 2020
	Power and fuel	57,966	41,748
	<b>Total</b>	<b>57,966</b>	<b>41,748</b>
33	Excavation & transport charges	For the year ended March 31, 2021	For the year ended March 31, 2020
	Excavation & transport charges for run of mine	4,28,707	3,34,964
	Excavation & transport charges for overburden	24,29,259	22,78,171
	<b>Total</b>	<b>28,57,966</b>	<b>26,13,135</b>
34	Other expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Rents	6,742	2,681
	Repairs & maintenance	18,149	10,126
	Insurance	1,223	1,153
	Rates and taxes		
	Royalty	4,71,645	8,52,348
	UMP	1,40,895	2,34,332
	NWET	9,393	16,955
	Gess	28,656	53,166
	Other rates and taxes	18,388	3,45,761
	Other expenses		
	Operating expenses	27,812	31,065
	Expenses for agency services	1,21,11,184	30,50,874
	Discount on sales	88,918	87,485
	Milling charges	-	19,140
	Transport and wagon loading charges	24,729	74,884
	Selling expenses	23,612	96,639
	New project expenses	1,69,836	3,945
	Office & general expenses	21,172	28,488
	Payment to auditors (refer note no 34.1)	750	750
	Audit fee for other auditors	730	450
	Printing & stationery	12,973	7,740
	Corporate social responsibility expenses	1,02,271	13,084
	Remuneration to out sourced services	8,17,398	4,62,023
	Provision for doubtful debts	-	5,20,300
	Provision for doubtful advances	90,000	2,22,975
	Data processing charges	11,845	7,731
	Rehabilitation expenses	12,923	12,834
	Donations	98,615	13
	Miscellaneous expenditure	167	614
	<b>Total</b>	<b>1,43,60,306</b>	<b>60,92,311</b>



34.1	Payment to Auditors	For the year ended March 31, 2021	For the year ended March 31, 2020
	Statutory audit fee	750	750
	Total	750	750
35	Income Tax		
The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:			
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Current tax:		
	Current income tax charge	6,23,016	14,14,594
	Total (a)	6,23,016	14,14,594
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(42,227)	(1,10,184)
	Total (b)	(42,227)	(1,10,184)
	Total	5,80,789	13,04,409
Other comprehensive income			
	Items that will not be reclassified to P&L	For the year ended March 31, 2021	For the year ended March 31, 2020
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(1,051)	370
	Leave encashment	(167)	2,309
	Deferred tax on above items		46
	Total	(3,218)	3,325
The income tax expense for the year can be reconciled to the accounting profit as follows:			
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Profit/(loss) before tax as per statement of profit and loss	19,04,983	47,06,101
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed tax expense	4,79,446	11,94,439
	Tax effect of:		
	i) Deferred tax related adjustment (inc. using impact on deferred tax for the year due change in applicable tax rate)	(42,227)	(1,10,184)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	25,740	18,394
	b) Change in depreciation	20,259	5,418
	c) Provision for doubtful items	22,853	1,36,719
	d) Other items	74,880	59,564
	Total income tax expense for the year	5,80,789	13,04,409



**35.Contingent liabilities and commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2021	As at 31.03.2020
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt 13-01 2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237, dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O Ms.No.18, dt.13/1/2016. There is no communication received from the Government,</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>60,30,636 4,63,303</p>	<p>51,36,610 8,94,026</p>
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2019-20, the total demand raised, deposits made and remaining un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's		
	Bank guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



C	Capital commitments in respect of unexecuted contracts.	-
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2020-2021, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		<b>-</b>	<b>(31,104)</b>	<b>-</b>
<b>Share of APMD C</b>		<b>-</b>	<b>46,860</b>	<b>-</b>
<b>Deposits made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand total</b>		<b>1,45,675</b>	<b>87,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)





### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,012	-	11,012
Loans	-	6,670	30,53,822	-	30,60,492
Trade receivables	-	-	10,42,706	-	10,42,706
Cash and cash equivalents	-	-	12,32,990	-	12,32,990
Other bank balances	-	-	1,02,676	-	1,02,676
Other financial assets	-	-	88,95,953	-	88,95,964
<b>Total</b>	-	<b>6,670</b>	<b>1,43,39,159</b>	-	<b>1,43,45,828</b>
<b>Financial liabilities:</b>					
Trade payables	-	-	-	10,70,340	10,70,340
Other financial liabilities	-	-	-	45,06,318	45,06,318
<b>Total</b>	-	-	-	<b>55,76,658</b>	<b>55,76,658</b>

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,027	-	11,027
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and cash equivalents	-	-	17,10,993	-	17,10,993
Other bank balances	-	-	5,53,894	-	5,53,894
Other financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,044</b>	-	<b>1,58,60,281</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>



### 38. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2020-21	2019-20
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	3,77,960
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	3,77,960
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2020-21	2019-20
Ageing	<12 Months	<12 Months
Gross carrying amount	10,42,706	14,89,634
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	10,42,706	14,89,634

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:

##### I. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2020-21	2019-20
Selling price increase by 5%		
Barytes	2,65,295	5,08,883
Agency services	6,43,716	1,55,962
Selling price decrease by 5%		
Barytes	(2,65,295)	(5,08,883)
Agency services	(6,43,716)	(1,55,962)



**b. Packing material price risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Increase by 5%	Increase by 5%	Decrease by 5%
Product name:				
Packing material	-	-	(410)	410

**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense.				
Excavation & transport charges for run of mine	(21,435)	21,435	(16,748)	16,748
Excavation & transport charges for overburden	(1,21,463)	1,21,463	(1,13,909)	1,13,909

**39. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2021**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,70,340	10,70,340	10,70,340	-
Non-current financial liabilities	32,54,943	32,54,943	-	32,54,943
Current financial liabilities	12,51,376	12,51,376	12,51,376	-
<b>Total</b>	<b>55,76,659</b>	<b>55,76,659</b>	<b>23,21,716</b>	<b>32,54,943</b>



As at 31st March 2020

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2021	As at 31-03-2020
Employers contribution to provident fund	8,877	8,919
Employers contribution to pension fund	5,110	5,442

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March 2020

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	59,039	63,703	54,194	54,884
Service cost	2,102	2,362	1,901	2,072
Interest expenses	3,316	4,467	3,121	4,029
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(17,884)	(10,930)	(14,107)	(4,717)
Remeasurements - actuarial (gains)/losses	1,075	(563)	210	(2,074)
<b>Benefit obligations at the end</b>	<b>47,648</b>	<b>59,039</b>	<b>45,319</b>	<b>54,194</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	61,363	64,506	88,864	68,073
Interest income	3,497	4,683	5,449	5,807
Employer contributions	812	4,026	1000	19,992
Benefits payments from plan assets	(17,885)	(12,259)	(14,107)	(5,243)
Actuarial gain / (loss) on plan assets	25	406	43	235
<b>Benefit obligations at the end</b>	<b>47,812</b>	<b>61,363</b>	<b>81,249</b>	<b>88,864</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
PV of obligations at the end of the year	47,649	59,039	45,319	54,194
Fair value of plan assets at the end of the year	47,812	61,363	81,249	88,864
<b>Liability (+) / Asset (-) recognised in the balance sheet</b>	<b>(163)</b>	<b>(2,324)</b>	<b>(35,930)</b>	<b>(34,670)</b>

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Service cost	2,102	2,362	1,901	2,072
Interest expenses	(180)	(216)	(2,328)	(1,778)
<b>Net expense recognised</b>	<b>1,922</b>	<b>2,146</b>	<b>427</b>	<b>294</b>





iv. Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Actuarial (gain)/losses on obligations for the period	1,075	(563)	210	(2,074)
Actuarial (gain)/losses on plan assets for the period	25	(406)	43	(235)
Net expense recognised	1,100	(970)	253	(2,309)

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Rate of discounting	6.77%	6.62%	6.77%	6.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.07	11.42	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave avallment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Expected cash flow in year 1	5,959	22,239	10,475	22,842
Expected cash flow in year 2	3,575	6,477	7,283	8,451
Expected cash flow in year 3	7,270	5,995	8,216	6,726
Expected cash flow in year 4	6,641	6,801	6,466	6,548
Expected cash flow in year 5	5,528	2,474	5,035	3,706
Expected cash flow in year 6	3,973	4,062	3,847	3,546
Expected cash flow in year 7	4,535	4,467	3,536	3,611
Expected cash flow in year 8	5,035	1,461	3,645	1,646
Expected cash flow in year 9	1,643	7,323	1,704	2,922
Expected cash flow in year 10	8,299	2,761	2,973	1,400



**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	47,649	59,039	0.00%	0.00%
Salary escalation - up by 1%	50,936	61,802	6.90%	4.70%
Salary escalation - down by 1%	44,658	56,512	-6.28%	-4.30%
Withdrawal rates - up by 1%	48,095	59,362	0.94%	0.50%
Withdrawal rates - down by 1%	47,154	58,682	-1.04%	-0.60%
Discount rates - up by 1%	45,043	56,933	-5.47%	-3.60%
Discount rates - down by 1%	50,567	61,386	6.12%	4.00%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	45,319	54,194	0.00%	0.00%
Salary escalation - up by 1%	47,281	55,996	4.30%	3.30%
Salary escalation - down by 1%	43,472	52,485	-4.10%	-3.20%
Withdrawal rates - up by 1%	45,484	54,317	0.40%	0.20%
Withdrawal rates - down by 1%	45,143	54,064	-0.40%	-0.20%
Discount rates - up by 1%	43,802	52,914	-3.30%	-2.40%
Discount rates - down by 1%	46,958	55,573	3.60%	2.50%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.



**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**41. Earnings per share (EPS)**

Particulars	As at	As at
	31-03-2021	31-03-2020
Profit after tax before exceptional items	13,24,193	34,41,691
Add: exceptional items	-	-
Profit after tax after exceptional items	13,24,193	34,41,691
Profit available for equity shareholders	13,24,193	34,41,691
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	20,998.27	54,576.32
Basic and diluted earnings per share (In Rupees) – after exceptional item	20,998.27	54,576.32

**42. Segment Information**

**i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.



**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 31,70,242 (Thousands) (P.Y 67,28,557 Thousand) is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2020-21**

Particulars	For the year ended 2020-21			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	53,05,891	1,28,74,328	-	1,81,80,219
<b>Total segment revenue</b>	<b>53,05,891</b>	<b>1,28,74,328</b>	<b>-</b>	<b>1,81,80,219</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	20,76,905	70,699	-	21,47,604
Unallocated other income	-	-	4,99,382	4,99,382
Unallocated expenses and finance cost	-	-	(7,42,004)	(7,42,004)
<b>Profit before exceptional items and tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,42,622)</b>	<b>19,04,983</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,42,622)</b>	<b>19,04,983</b>
Income tax - Current	-	-	6,23,016	6,23,016
Deferred tax	-	-	(42,227)	(42,227)
<b>Profit after tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(8,23,411)</b>	<b>13,24,193</b>
<b>Other Information</b>				
Segment assets **	47,27,877	15,14,533	2,50,49,169	3,12,91,579
Segment liabilities **	11,90,143	16,95,868	49,63,732	78,49,743
Capital work in progress	-	2,305	-	2,305
Depreciation and amortisation	30,255	1,16,550	20,733	1,67,538
Non-cash expense other than depreciation and amortisation	-	-	90,506	90,506





\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2019-20**

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	1,01,77,668	31,19,243		1,32,96,910
<b>Total segment revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>	<b>-</b>	<b>1,32,96,910</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income	-	-	7,27,512	7,27,512
Unallocated expenses and finance cost	-	-	(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
<b>Exceptional items</b>				
Profit before tax	-	(4,07,508)	(61,233)	47,46,101
Income tax - Current	-	-	14,14,594	14,14,594
Deferred tax	-	-	(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>-</b>	<b>(4,07,508)</b>	<b>(13,65,642)</b>	<b>34,41,692</b>
<b>Other Information</b>				
Segment Assets **	42,81,513	14,17,756	2,23,67,362	2,80,66,632
Segment Liabilities **	10,25,741	10,88,149	38,33,882	59,47,772
Capital work in progress	-	13,830	-	13,830
Depreciation and amortisation	36,956	21,768	22,837	81,561
Non-cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667





**43. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri. M. Madhusudhan Reddy I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director
Sri. Hari Narayanan I A S (01.06.2020 to 03.02.2021)	Vice Chairman & Managing Director
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

<b>Name of the related party</b>	<b>Relation</b>
AP state fibernet limited	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	



**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,24,655
Pallavared granite private limited	62,855

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
Andhra Pradesh granite (Midwest) private limited	83,980	1,50,844
Pallava red granite private limited	87,586	59,427
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2021	As at 31-03-2020
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam urban development authority	19,726	19,726
Pallavared granite private limited	10,744	10,744

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2021	As at 31-03-2020
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC- SCCL Suli vari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679
Investment in joint ventures	As at 31-03-2021	As at 31-03-2020
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217



Investment in associates	As at 31-03-2021	As at 31-03-2020
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2021	As at 31-03-2020
Sri. Ch. Venkiah Chowdary, I.R.S (24.08.2015 to 26.06.2019)		355
Sri. Y. Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)		588
Sri. M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	199	889
Sri. Hari Narayanan I.A.S (01.06.2020 to 01.02.2021)	984	-

**vi. Loan to related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
AP state fibernet limited	10,00,000	10,00,000
Machilipatnam urban development authority	20,00,000	20,00,000

**vii. Advance to related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
Royalaseema steel corporation limited *	32,739	32,739
AP High Grade Steel Limited*	1,10,000	20,000

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**44. Note on sand operations**

- The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities



- i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the Government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the Code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation, internal transportation expense have been based on the certification by the district sand officer/ district sand in charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.





- e. The data from the software developed by M/s. Code tree software solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code tree was discontinued. Despite several requests, Code tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the Door Delivery of Sand
- Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
  - Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
  - Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.
- g. The details of the receipts have not been provided to us by the director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs. 50,91,93,352/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. Neither vouchers nor supporting documents were maintained for the bulk payments of door delivery of transportation of sand and Boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from end customers directly in our bank account without routing it through the director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were





received in various modes of payments such as DDs, UPIs and cash directly deposited in our bank account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with the director of mines and geology.

k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:

- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
  - ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.
  - iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
  - iv. Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
  - v. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
  - vi. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.
  - vii. There was no written instruction from the Government as to whether the above price is inclusive/ exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.
- l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID - 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.



**45. Deferred tax asset /(liability)**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,279	2,335
Provision for decommissioning asset	28,690	26,688
Property, plant and equipment	22,081	4,299
Other provisions	2,10,820	1,88,320
<b>Total deferred tax asset</b>	<b>2,63,870</b>	<b>221,643</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Investments	2,517	2,517
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,517</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,61,353</b>	<b>2,19,126</b>

**46. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.85,707 (Previous Year Rs.88,324).
- b. Amount spent during the year

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Construction/ acquisition of any assets	-	-
Purpose other than above	1,02,271	73,084

**47. Treatment of demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State of Andhra Pradesh) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.



- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC –58.32%
- TSMDC –41.68%

- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. grants	19	11	8
<b>Current/ non-current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & bank balances	439	256	183
Fixed deposits – BG	13,72,772	8,00,600	5,72,171
Other fixed deposits	81,62,135	47,60,157	34,01,978
Other current assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.8,341,061/- Thousands (sweep accounts of Rs.77,873 /- and fixed deposits of Rs.8,263,188/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the





loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was entered with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
Total		100.00

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good. Further, no interest has been recognised in the books of accounts.

#### **50. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that





company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **S1. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount of Rs.9.00 crores have been provided towards additional provision for doubtful advance during the year, totalling to Rs.11.00 crores till 31-03-2021.

#### **52. Loan to M/s. Thriveni Earth Movers Private Limited**

During the previous year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40.00 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40.00 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private Limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35.00crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory; the corporation released an amount of Rs.30.00crores on March 18, 2020 against the bank guarantee. Total advance amount of Rs.70.00 crores has been repaid during the year along with the applicable interest in full.



### 53. Non valuation of inventory

#### a. C+D+W Grade of barytes

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (59.22 lakhs MTs) is considered without value

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020. The Closing stock as on 31.03.2021 is 2.04 lakh MT (including 470 MTs of 1<sup>st</sup> Grade), which the company has not valued.

### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area In Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
	<b>Total</b>	<b>2,556.86</b>



## 55. Additional information

### 55.1 Particulars of consumption of raw material

Particulars	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	-	-	8,191	100.00
<b>Total</b>	-	-	<b>8,191</b>	<b>100.00</b>

### 55.2 Particulars of consumption of stores & spares

Particulars	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	18,249	100.00	10,126	100.00
<b>Total</b>	<b>18,249</b>	<b>100.00</b>	<b>10,126</b>	<b>100.00</b>

## 56. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2020 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022 and 22<sup>nd</sup> August, 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, and 31<sup>st</sup> March, 2020, the board of directors of the company in their meeting held on 22<sup>nd</sup> August, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2020. The reported amounts as on 31<sup>st</sup> March, 2021 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 57. General

- During the year company has operated public deposits accounts (PD Account) with the treasury department Government of Andhra Pradesh (GoAP). No funds have been credited to this account given by any other government or agencies except the GoAP. There are no restrictions or additional permissions required for withdrawing the funds from this account. There are no returned/unpaid bills under this account as on March 31, 2021.



- b. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- c. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.
- d. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- e. All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earnings per share (EPS).

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565



A.V. Raghava Rao  
Partner  
Mem No.200578



Place: Vijayawada  
Date: October 10, 2023

for and on behalf of the board of directors



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525



Raman Narayanan  
Director  
DIN:10267130



A. Nageswara Reddy  
General Manager-F&A



UDIN: 23200 578 BGXU FU 9551.





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements")

We do not express an opinion on accompanying Consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements

#### **Basis for Disclaimer of Opinion**

1. We draw attention to Note No. 45 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2021 and further reasons as detailed in Note No 45, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDCL SCCL Suliari coal company Ltd	Subsidiary	51.00%
4	Nuagun coal company Ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.35%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%





13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Disclaimer Opinion (As stated in the report of standalone financial statements)

- ii) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial Liability(non-current)	58,47,13,883	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial Liability(non-current)	1,48,36,82,797	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial Liability(non-current)	91,24,99,128	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,89,97,208	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,32,86,82,758	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,15,97,96,553	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	19,19,55,752	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,13,41,11,543	Dr
9	Sweep Account (SBI, Kharatabad)	6	Other Financial Assets (Non-Current)	7,78,72,936	Dr



10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	25,04,83,888	Dr
11	Int. Accr. on FDR kept for BGis	14	Other Financial Assets (Current)	45,25,955	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	4,49,14,142	Dr
13	Int. accr. on sweep a/c (SBI)	14	Other Financial Assets (Current)	3,28,59,913	Dr
14	Int. on Fixed Deposits	26	Other Income	38,14,60,577	Cr
15	Int. on FD kept for BG	26	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	3,86,41,314	Cr
17	Int. on Sweep account SBI Kharatabad	26	Other Income	33,93,823	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,80,07,426	Dr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2021 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2021 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2021 (In Rs.)
Adv. to EE Panc. Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,16,36,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

vi) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supportings are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to



use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.

- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- vii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 67.22 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- viii) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.
- x) The Holding company has Trade Receivables balance amounting to Rs. 142.07 Crores and advance from customers amounting to Rs. 20.20 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 142.07 Crores and Advance from Customers amounting to Rs. 20.20 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.



- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xii) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19 Financial Year 2019-20 and Financial Year 2020-21 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.
- xiv) The Holding company has accounted for interest on credit sales amounting to Rs. 2.18 crores for the financial year 2020-21. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2021 has not been recognised, which is not in line with the accounting policy followed by the Holding company. Considering the non-availability of the records, we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head interest accrued on credit sales as on 31<sup>st</sup> March 2021. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.





- xv) Balance in Suspense Account amounting to Rs. 1,17,75,403 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
- xvi) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
- b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Holding Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- c) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometer (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Holding Company with the Transporters. The transportation charges payable has to be derived based on the Kilometres as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices.





However, the Kilometres certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometres as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. It has been informed to us that Internal Transport Charges receivable from Director of Mines and Geology are also at the same kilometres and rate per kilometer however, no supporting has been provided to support the claim. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.

- d) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. It has been informed to us that Door Delivery Transport Charges receivable from Director of Mines and Geology are also at the same rates but however, no supporting has been provided to support the claim. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- e) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supportings are not available for verification, the details of which are as follows:
  - 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
  - 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.



Considering the non availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- fi) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- g) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Holding Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2020-21. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2021.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

## **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022 and 22<sup>nd</sup> August, 2023 respectively due to non completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 the Board of Directors of the Holding Company in their meeting held on 10<sup>th</sup> October 2023 approved the financial statements for the year ended March 31, 2021.



Consequently, we have conducted our audit for the year ended March 31, 2021 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2021 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 and subsequent approval at the Annual General Meetings.

We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 30.54 lakhs for the year ended March 31, 2021 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

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

1. As required by Section 143 (3) of the Act, we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Holding company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Group.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.



h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements- Refer Note 36 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B

Patil V Jayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants

FRN 000656S

CA. A.V. Raghava Rao

Partner

M. No. 200578

UDIN: 23200578 BGXU FV1126



## **Annexure - A to the Independent Auditors' Report**

[Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2021]

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of March 31, 2021 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding company included in the Group are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the internal control over financial reporting criteria established by the Companies/Entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2021.

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodic verification of inventory and Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting apor such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations of the Holding company.



- i. The Holding company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
- ii. Periodic Reconciliation of Bank Balances have not been done
- iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures
- iv. Non maintenance of registers/records such as cheque book register, fixed asset register, 3G registers, FMD/PSD register, register of contractors and register of tender schedules sold.

#### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Holding Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding company as at March 31, 2023 and the disclaimer has affected our opinion on the Consolidated financial statements of the Holding company and we have issued a Disclaimer of opinion on the Consolidated financial statements of the Holding company.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 0006565

CA. A.V. Raghava Rao  
Partner

M. No. 200578

UDIN: 03200578BGXUFV1126

# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not,</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Holding Company has been maintaining Public Deposit Account vide account No 11000093601</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year company has not raised any loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2021.</p>





6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management of the holding company has physically verified the inventory and stores and spares in FY 2020-21 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.



12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023

**For Chowdary & Rao**  
Chartered Accountants  
FRN 000656S

  
CA. A.V. Raghava Rao  
Partner  
Mem No: 200578  
UPIN: 93200578BGXUFCU1126



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2021  
All amounts are in thousands, unless otherwise stated

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	6,53,119	7,51,980
Right of use Assets	2	14,382	24,124
Capital work in progress	3	2,305	13,830
Other intangible assets	3	41,430	44,541
Intangible assets under development	3	34,09,716	62,71,043
<b>Financial assets</b>			
Investments	4	47,117	11,312
Loans	5	3,49,124	5,55,409
Other financial assets	6	85,62,186	79,52,231
Deferred tax assets (net)	7	2,61,353	7,19,176
Non-current tax assets	8	8,55,414	9,85,414
Other non-current assets	9	35,57,511	29,76,834
<b>Total non-current assets</b>		<b>2,27,72,614</b>	<b>1,97,26,244</b>
<b>Current assets</b>			
Inventories	10	17,29,280	7,85,821
<b>Financial assets</b>			
Trade receivables	11	10,42,700	14,93,654
Cash and cash equivalents	12	12,72,990	17,12,993
Other bank balances	12	1,72,676	5,53,894
Loans	13	27,11,368	40,47,288
Other financial assets	14	3,33,766	4,09,605
Other current assets	15	13,91,179	2,53,239
<b>Total current assets</b>		<b>85,44,066</b>	<b>83,40,674</b>
<b>TOTAL ASSETS</b>		<b>3,13,22,680</b>	<b>2,80,66,918</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	53,062	53,062
Other equity	17	2,34,39,876	2,20,56,062
<b>Total Equity</b>		<b>2,34,92,938</b>	<b>2,21,19,146</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	32,54,943	30,73,179
Provisions	19	1,13,994	1,05,041
Other non-current liabilities	20	25,432	25,432
<b>Total non-current liabilities</b>		<b>33,94,370</b>	<b>32,04,652</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	10,70,340	8,64,306
Other financial liabilities	22	12,51,376	8,24,908
Other current liabilities	23	14,88,955	4,34,231
Current tax liabilities	24	6,44,703	5,69,635
<b>Total current liabilities</b>		<b>44,55,374</b>	<b>27,43,120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,13,22,680</b>	<b>2,80,66,918</b>

Notes to Financial statements

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The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For Chowdury & Rao  
Chartered Accountants  
Firm Regn No: 0005565

A.V. Raghava Rao  
Partner  
Mem No. 200578



UDIN: 93200578BGX4FUI126  
Place: Vijayawada

Date: October 10, 2021

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Marayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated statement of profit and loss for the year ended March 31, 2021**  
 All amounts are in thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	25	1,81,80,219	1,32,96,911
Other Income	26	5,52,882	7,75,977
<b>Total income</b>		<b>1,87,33,101</b>	<b>1,40,72,888</b>
<b>Expenses</b>			
Cost of materials consumed	27	-	8,191
Change in inventories of finished goods	28	19,42,875	1,40,945
Employee benefits expense	29	3,14,361	3,37,799
Finance costs	30	12,856	11,098
Depreciation and amortization expense	31	1,67,538	81,561
Power and fuel	32	57,956	41,748
Excavation & transport charges	33	28,47,966	26,13,116
Other expenses	34	1,43,60,306	60,92,311
<b>Total expenses</b>		<b>1,68,28,118</b>	<b>93,26,707</b>
<b>Profit before exceptional items and tax</b>		<b>19,04,983</b>	<b>47,46,181</b>
Add : Exceptional items (Net)		-	-
<b>Profit before tax</b>		<b>19,04,983</b>	<b>47,46,181</b>
Share of Profit/(loss) of joint venture		30,535	5,938
Less : Tax expense/(benefit)			
Current tax	35	6,23,016	14,14,594
Deferred tax	35	(42,227)	(1,10,184)
<b>Total tax expense/ (benefit)</b>		<b>5,80,789</b>	<b>13,04,409</b>
<b>Profit for the year from continuing operations</b>		<b>13,54,728</b>	<b>34,47,629</b>
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>13,54,728</b>	<b>34,47,629</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(1,218)	3,279
Items that will not be reclassified to profit or loss of FY		280	7
Income tax on above items		-	45
<b>Total other comprehensive income for the year (B)</b>		<b>(937)</b>	<b>3,332</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>13,53,791</b>	<b>34,50,961</b>
Earnings per equity share (In Rs) - (Nominal value of share Rs.1000 /-)			
- Basic	41	21,482.48	54,670.47
- Diluted		21,482.48	54,670.47
Notes to financial statements	1-58		

The accompanying notes are an integral part of these consolidated financial statements;

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao

Chartered Accountants

Firm Regn No: 0006565

*A.V. Raghava Rao*  
 A.V. Raghava Rao  
 Partner

Mem No.200578



UOI No: 33,200578BGX4FV1126

Place : Vijayawada

Date : October 10, 2023

*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

*Raman Narayanan*  
 Raman Narayanan  
 Director  
 DIN: 10267130

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A



**Balance Sheet as at March 31, 2021**

Statement of Changes in equity for the year ended March 31, 2021

**A. Equity share capital**

Particulars	No of Shares	(Rs. in '000's) Disposals/ adjustments/ transfer
Balance as at April 1, 2019	63,062	63,062
Changes in equity share capital during 2019-20	-	-
Balance as at April 1, 2020	63,062	63,062
Changes in equity share capital during 2020-21	-	-
Balance as at March 31, 2021	63,062	63,062

**B. Other equity**

(Rs. in '000's)

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial Gain/Losses reserve	Deferred tax on OCI items	
Balance as at April 1, 2019	11,000	81,108	17,24,670	1,07,06,880	(5,657)	10,150	(3,036)	1,06,05,124
Profit for the year	-	-	-	34,47,670	-	-	-	34,47,670
Other comprehensive income for the year	-	-	-	-	-	3,280	46	3,326
Total comprehensive income for the year	-	-	-	34,47,670	-	3,280	46	34,50,996
Transfer to reserve for bad and doubtful debts	-	4,248	-	(4,248)	-	-	-	-
Balance as at March 31, 2020	11,000	85,356	17,24,670	2,02,30,262	(5,657)	13,430	(2,990)	2,25,25,541
Profit for the year	-	-	-	13,54,728	-	-	-	13,54,728
Other comprehensive income for the year	-	-	-	-	-	(937)	-	(937)
Total comprehensive income for the year	-	-	-	13,54,728	-	(937)	-	13,53,791
Transfer to reserve for bad and doubtful debts	-	(25,600)	-	25,600	-	-	-	-
Balance as at March 31, 2021	11,000	59,756	17,24,670	2,16,10,589	(5,657)	12,507	(2,990)	2,24,00,875

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants

Firm Regn No: 0006565

A.V. Raghava Rao  
Partner

Mem No. 200578



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A. Nagaswara Reddy  
General Manager - F&A



UDIN: 23200578BGXUFV1126

Place : Vijayawada

Date : October 10, 2021



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Cash Flow Statement for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	19,35,518	47,57,038
Adjustments for:		
Interest expense	2,662	1,186
Unwinding of discounting or provisions	10,194	9,912
Interest income	15,33,630	(6,81,802)
Depreciation and amortisation expense	1,67,538	81,561
Provision for bad & doubtful debts	-	3,20,300
Provision for bad & doubtful advances	90,000	2,27,525
Liabilities no longer recognised written back	(203)	(16,591)
<b>Operating profit before working capital changes</b>	<b>16,72,074</b>	<b>46,59,529</b>
Adjustments for:		
Increase/(decrease) in trade payables	2,06,334	6,55,140
Increase/(decrease) in provisions	13,256	51,534
Increase/(decrease) in other financial liabilities	6,19,585	5,05,245
Increase/(decrease) in other liabilities	10,04,774	(1,62,871)
Decrease/(increase) in trade receivables	4,46,918	(3,94,430)
Decrease/(increase) in inventories	(9,41,459)	1,34,726
Decrease/(increase) in other assets	(18,39,112)	(7,37,550)
Decrease/(increase) in other financial assets	(4,43,916)	(5,89,721)
<b>Cash generated from operations</b>	<b>7,19,605</b>	<b>42,36,007</b>
Direct taxes paid (net of refunds)	5,47,943	17,73,947
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,71,657</b>	<b>24,62,060</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, CWIP and capital advances	(22,02,671)	(8,65,263)
Movements in other bank balance	4,51,218	(5,53,834)
Loans repaid / given to parties	5,88,500	(5,88,500)
Loans repaid / given to staff	(6,295)	(33,853)
Interest received	5,33,630	6,81,802
Proceeds from sale of NSC bonds	15	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6,35,606)</b>	<b>(13,59,707)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(2,462)	(1,186)
Payment of lease liability	(11,392)	(8,067)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(14,054)</b>	<b>(9,249)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>14,78,007</b>	<b>10,93,062</b>
Cash and cash equivalents at the beginning of the year	17,10,992	6,17,930
<b>Cash and cash equivalents at the end of the year</b>	<b>32,32,990</b>	<b>17,10,992</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	175	629
Balances with scheduled banks		
With current accounts	12,32,665	11,10,583
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>12,32,990</b>	<b>17,10,992</b>

The accompanying notes are an integral part of these consolidated financial statements.

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in the AS - 7

As per our report of even date

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578



UDIN: 23200578BGXU FU1126

Place Vijayawada

Date: October 10, 2023

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A



## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



**Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

**e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after reporting date.





All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.





The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When part so fan item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.



Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.



Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onward and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.



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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.





Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate





pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The group has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.



**q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.

**r. Leases**

The group has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.



**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.





**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is





classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use asset for the year ended March 31, 2021**

Note -3

Particulars	Gross block			Accumulated depreciation/amortisation			Net block			
	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the Year	Disposal / adjustments/ transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Free hold land	2,80,337	-	-	2,80,337	-	-	-	-	2,80,337	2,80,337
Buildings	43,702	-	-	43,702	19,982	2,918	-	22,900	30,802	29,720
Plant and machinery	2,99,529	11,525	-	3,11,048	95,575	30,012	-	1,35,587	1,75,461	2,03,848
Furniture & fixtures	19,028	57	-	19,085	9,423	2,576	-	11,999	7,297	3,606
Vehicles	19,538	-	-	19,598	9,037	3,308	-	12,345	7,253	10,581
Office equipment	2,00,857	58,661	-	2,59,518	31,005	49,706	-	1,26,313	1,35,206	1,69,852
Mining and equipment	70,901	-	-	70,901	46,732	5,062	-	51,794	19,107	24,169
Data processing equipment	18,475	5,438	-	23,913	14,848	4,253	-	19,101	4,812	8,627
Tire & hose	3,131	-	-	3,131	2,790	129	-	2,919	712	901
Leasehold improvements	25,450	-	-	25,450	19,530	3,187	-	22,717	2,712	5,920
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,653	-	4,03,675	6,53,019	7,31,981
Less: Depreciation capitalised during the year	-	-	-	-	-	368	-	-	-	-
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,284	-	4,03,675	6,53,019	7,31,981
Previous year - 2019-20	6,59,454	3,21,948	-	9,81,002	1,78,682	69,365	-	2,49,022	7,31,980	4,80,773
LEASED ASSETS	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the Year	Disposal / adjustments/ transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Right of use asset	33,289	-	-	33,289	8,765	10,142	-	18,906	14,382	24,524
Total	33,289	-	-	33,289	-	10,142	-	18,906	14,382	24,524
Previous year - 2019-20	24,478	8,811	-	33,289	-	8,765	-	8,765	24,524	-
Other intangible assets	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the Year	Disposal / adjustments/ transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Computer software	3,352	-	-	3,353	2,650	281	-	2,911	447	723
Mining Property	46,554	-	-	46,554	2,736	2,891	-	5,567	40,988	43,818
Total	49,907	-	-	49,907	5,386	3,172	-	8,478	41,430	44,542
Previous year - 2019-20	5,329	44,578	-	49,907	2,435	2,933	-	5,366	44,541	7,894
Exploration intangible assets under development	62,71,043	21,38,825	-	84,09,818	-	-	-	-	84,09,818	62,71,043
Previous year - 2019-20	57,97,120	4,73,923	-	62,71,043	-	-	-	-	62,71,043	57,97,120
Capital work in progress	13,830	-	11,525	2,305	-	-	-	-	2,305	13,830
Previous year - 2019-20	-	13,830	-	13,830	-	-	-	-	13,830	-



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

4	Non-current Investments	As at March 31, 2021	As at March 31, 2020
	Unquoted equity Instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APFMDCL - SCCL, Puliyem coal company limited 5,118 equity shares (March 31, 2020: 5,118) of Rs 10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Nussipet coal company limited 3,000 equity shares (March 31, 2020: 3,000) of Rs 116/- each fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s. Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2020: 56,100) of Rs 10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited, 1,110 equity shares (March 31, 2020: 1,110) of Rs 100/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in Associates		
	v. M/s. Aswar Mineral development private limited, 65,000 equity shares (March 31, 2020: 65,000) of Rs 10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Arham Minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Isha Minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalgarh granite private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. MLP granite private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A.P. coastal sands & metals private limited, 13,000 equity shares (March 31, 2020: 13,000) of Rs 10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh tubular mining private limited 28,600 equity shares (March 31, 2020: 28,600) of Rs 10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)



<b>Investment in Joint Ventures</b>		
i. M/s A.P. granites (indwest) private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs 10/- each fully paid up	42,101	11,285
ii. M/s Alliance A.P. black galaxy granites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
iii. M/s.Pallava red granites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
iv. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2020: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
v. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2020: 8,52,500) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
vi. M/s Andhra Pradesh iron ore company limited 6,690 equity shares(March 31, 2020: 6,690) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
vii. M/s Trimer corallo private limited 4,50,000 equity shares(March 31, 2020: 4,50,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
viii. M/s.V.V. Minerals private limited 1,100 equity shares(March 31, 2020: 1,100) of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	7,098	7,113
Less: Provision made for doubtful investment	(7,087)	(7,087)
	<b>42,119</b>	<b>11,312</b>
<b>Aggregate amount of quoted investments - Market value</b>		
Aggregate amount of quoted investments - Book value		
Aggregate amount of unquoted investments	42,119	11,312
Aggregate amount of impairment	57,617	57,617
Aggregate Provision made for doubtful investment	7,087	7,087
<b>5</b>		
<b>Loans (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Deposits with others		
Unsecured, considered good	10,883	10,382
Unsecured, considered doubtful	9,320	9,350
Less: Provision for doubtful debts	(9,320)	(9,350)
Loans to others		
Unsecured, considered good	1,00,000	1,40,000
Loan to AP state fiber net limited Refer Note 49		
Loans and advances to employees		
Unsecured, considered good	38,741	35,027
Unsecured, considered doubtful	854	854
Less: Allowance for bad and doubtful debts	(854)	(854)
<b>Total</b>	<b>1,49,124</b>	<b>5,35,409</b>



6	Other financial assets (Non-current)	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good - Refer note: 40		
	Balance in current accounts (Freezed)	18,007	17,412
	Long term bank deposits	88,66,106	78,58,833
	Sweep accounts	33,873	15,994
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>89,62,186</b>	<b>79,32,231</b>
7	Deferred tax asset (Net)	As at March 31, 2021	As at March 31, 2020
	Deferred tax asset		
	Property, plant & equipment	22,361	4,299
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	1,179	1,335
	Provision for decommissioning costs	28,690	26,688
	Provision for lease liability / assets	722	862
	Provision for bad & doubtful debts, investments & advances	2,30,097	1,87,458
	<b>Total deferred tax asset</b>	<b>2,69,079</b>	<b>2,18,643</b>
	Deferred tax liability		
	Investment	(2,517)	(2,517)
	<b>Total deferred tax liability</b>	<b>(2,517)</b>	<b>(2,517)</b>
	<b>Net deferred tax asset</b>	<b>2,61,562</b>	<b>2,16,126</b>
8	Non-current tax assets	As at March 31, 2021	As at March 31, 2020
	Income tax		
	Corporate tax receivable	8,25,414	8,85,414
	<b>Total</b>	<b>8,25,414</b>	<b>8,85,414</b>
9	Other non-current assets	As at March 31, 2021	As at March 31, 2020
	A) Capital advances		
	Unsecured, considered good	2,39,367	2,35,387
	Unsecured, considered doubtful	26,013	26,023
	Provision for doubtful advances	(26,013)	(26,023)
		<b>2,39,367</b>	<b>2,35,387</b>
	B) Advances other than capital advances		
	Unsecured, considered good	10,51,718	13,90,934
	Unsecured, considered doubtful	1,78,893	48,893
	Less: Provision for doubtful advances	(1,78,893)	(48,893)
		<b>19,57,716</b>	<b>13,90,934</b>
	C) Others - specified		
	Unsecured, considered good	13,56,115	13,43,855
	Unsecured, considered doubtful	1,98,772	1,98,875
	Less: Provision for doubtful advances	(1,98,772)	(1,98,875)
	Prepaid expenses	157	658
	<b>Total</b>	<b>35,57,370</b>	<b>29,76,834</b>
10	Inventories	As at March 31, 2021	As at March 31, 2020
	Finished goods	17,16,355	1,73,484
	Less: Provision for obsolete stock	(1799)	(1799)
	Stores and spares	13,720	13,116
	<b>Total</b>	<b>17,29,280</b>	<b>1,85,801</b>





11	Trade receivables (Current)	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good	10,42,706	10,89,634
	Unsecured, considered credit impaired	3,77,960	3,77,960
	Less: Impairment allowance for doubtful debts	(5,77,960)	(3,77,960)
	Total	10,42,706	10,89,634
12	Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
	Cash and cash equivalents		
	Balances with banks:-		
	in current accounts	12,32,665	17,10,383
	Cash on hand	325	609
	(A)	12,32,990	17,10,993
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	1,02,676	55,894
	(B)	1,02,676	55,894
	Total	13,35,666	22,64,887
13	Loans (Current)	As at March 31, 2021	As at March 31, 2020
	Loans to others		
	Unsecured, considered good		
	Loan to AP state finance limited & Mchhappanagar Urban Development Authority Refer Note: 49 & 50	27,00,000	40,50,000
	Others Refer Note: 53		5,88,500
	Loans and advances to employees		
	Unsecured, considered good	11,358	8,783
	Total	27,11,358	46,47,283
14	Other financial assets (Current)	As at March 31, 2021	As at March 31, 2020
	Advances receivable in cash		
	Unsecured, considered good	-	3,315
	Interest accrued on deposits		
	Unsecured, considered good	3,33,766	4,96,490
	Unsecured, considered doubtful	24,423	24,318
	Less: Provision made	(24,423)	(24,318)
	Total	3,33,766	4,99,805
15	Other current assets	As at March 31, 2021	As at March 31, 2020
	A) Advances recoverable		
	Unsecured, considered good	55,011	37,332
		55,011	37,302
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	12,45,037	1,26,632
	Prepaid expenses	52,190	50,749
	Others	35,041	48,556
	Total	13,35,268	2,15,937
	Total	13,35,268	2,15,937





<p>iii. RUP granites private limited 3,25,000 equity shares(March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>3,250 (3,250)</p>	<p>3,250 (3,250)</p>
<p>vi. M/s A.P granites(midwest) private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up</p>	<p>11,000</p>	<p>11,000</p>
<p>vii. M/s.Alliance A.P.black galaxy grinites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>11,000 (11,000)</p>	<p>11,000 (11,000)</p>
<p>viii. M/s.Palava red granites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>11,000 (11,000)</p>	<p>11,000 (11,000)</p>
<p>ix. M/s A.P.issatla sands &amp; meters private limited, 13,000 equity shares(March 31, 2020: 13,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>130 (130)</p>	<p>130 (130)</p>
<p>x. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2020: 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>561 (561)</p>	<p>561 (561)</p>
<p>xi. M/s Gimpes AP barytes beneficiation private limited 1,130 equity shares(March 31, 2020: 1,130) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>11 (11)</p>	<p>11 (11)</p>
<p>xii. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2020: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>8,525 (8,525)</p>	<p>8,525 (8,525)</p>
<p>xiii. M/s.Andhra Pradesh iron ore company limited 6,690 equity shares(March 31, 2020: 6,690) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>69 (69)</p>	<p>69 (69)</p>
<p>xiv. M/s Tri mela baryte private limited 4,50,000 equity shares(March 31, 2020: 4,50,000) of Rs.10/- each full paid up Less: Provision made for diminution in the value of shares</p>	<p>4,500 (4,500)</p>	<p>4,500 (4,500)</p>
<p>xv. M/s V.V. minerals private limited 1,100 equity shares(March 31, 2020: 1,100) of Rs.100/- each full paid up Less: Provision made for diminution in the value of shares</p>	<p>110 (110)</p>	<p>110 (110)</p>
<p>Other comprehensive income</p>	<p>11,000</p>	<p>11,000</p>
<p>Opening balance</p>	<p>4,797</p>	<p>1,963</p>
<p>Other comprehensive income for the year</p>	<p>(937)</p>	<p>3,132</p>
<p>Add/(Less): Transferred from/(to); retained earnings</p>	<p>-</p>	<p>-</p>
<p>Closing balance</p>	<p>3,860</p>	<p>4,797</p>
<p>Reserve for bad and doubtful debts</p>		
<p>Opening balance</p>	<p>85,156</p>	<p>81,108</p>
<p>Add/(Less): Transferred from to profit and loss account</p>	<p>(42,609)</p>	<p>1,249</p>
<p>Closing balance</p>	<p>42,547</p>	<p>85,356</p>
<p>General reserve</p>		
<p>Opening balance</p>	<p>17,21,622</p>	<p>17,24,670</p>
<p>Impact of transition to Ind AS 115</p>	<p>-</p>	<p>(3,048)</p>
<p>Closing balance</p>	<p>17,21,622</p>	<p>17,21,622</p>



<b>Retained earnings</b>		
Opening balance	2,02,37,310	1,67,88,925
Add/(Less): Profit for the year	33,54,728	34,47,629
	<b>2,35,92,038</b>	<b>2,02,37,557</b>
Less: Appropriations		
Reserve for bad and doubtful debts	(25,605)	4,248
Total Appropriations	<b>(25,605)</b>	<b>4,248</b>
Closing balance	<b>2,10,33,647</b>	<b>2,02,39,310</b>
<b>Total</b>	<b>2,34,09,876</b>	<b>2,20,56,084</b>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of retained earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

<b>18</b>	<b>Other financial liabilities (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Expenses payable against infrastructure development	68,714	68,714
	Deposit	17,280	17,280
	Others	31,68,908	29,87,184
	<b>Total</b>	<b>32,54,902</b>	<b>30,73,179</b>

<b>19</b>	<b>Provisions (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Provision for others		
	Provision for decommissioning cost	1,13,994	1,06,041
	<b>Total</b>	<b>1,13,994</b>	<b>1,06,041</b>

<b>20</b>	<b>Other non-current liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Others		
	Statutory liabilities	25,432	25,432
	<b>Total</b>	<b>25,432</b>	<b>25,432</b>

<b>21</b>	<b>Trade payables (Current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Trade payables		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	10,70,340	8,64,306
	<b>Total</b>	<b>10,70,340</b>	<b>8,64,306</b>

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED) Act, have been determined based on the information available with the company and the required disclosures are given below.

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 15 of MSMED Act		
c) Interest due and payable for the period of delay including interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.



22	Other financial liabilities (Current)	As at March 31, 2021	As at March 31, 2020
	Salaries & other benefits payable	23,954	16,542
	Earnout money and security deposits from customers	4,75,800	2,85,763
	Other payables	7,51,922	5,22,643
	Total	12,51,676	8,24,948
23	Other current liabilities	As at March 31, 2021	As at March 31, 2020
	Advance from customers	1,02,011	85,128
	Statutory liabilities	12,79,847	3,91,591
	Unknown receipts/suspense	11,775	3,712
	Total	14,88,965	4,84,731
24	Current tax liabilities	As at March 31, 2021	As at March 31, 2020
	Provision for income tax	4,44,703	5,69,655
	Total	4,44,703	5,69,655





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

25	Revenue from operations	For the year ended March 31, 2021	For the year ended March 31, 2020
	Sale of products	48,97,311	1,00,28,744
	Sale of services		
	Agency services including transportation	1,28,74,328	31,19,243
	Others	4,08,580	1,48,924
	Total	1,81,80,219	1,32,96,911
26	Other income	For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest income		
	Bank deposits	4,67,457	6,26,125
	Loans	267	333
	Others	65,906	55,366
	Other non operating income		
	Rent receipts	673	863
	Forfeiture of security deposit	15,574	1,500
	Sale of tender documents	2,743	4,984
	Liabilities no longer required written back	203	46,590
	Penalties on buyers and sellers	-	8,370
	Other miscellaneous income	61	32,070
	Total	5,52,882	7,75,977
27	Profit after tax for the year (A)	For the year ended March 31, 2021	For the year ended March 31, 2020
	Packing material		8,191
	Total	-	8,191
28	Changes in inventories of finished goods	For the year ended March 31, 2021	For the year ended March 31, 2020
	a) Opening stock of finished goods	7,73,484	9,14,429
		7,73,484	9,14,429
	b) Closing stock of finished goods	17,16,359	7,73,484
		17,16,359	7,73,484
	Changes in inventories of finished goods	(9,42,875)	1,40,945
29	Employee benefit expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries and wages	2,55,565	2,64,365
	Contribution to provident fund and other funds	31,887	48,443
	Staff welfare expenses	27,540	24,950
	Total	3,14,992	3,37,758
30	Finance costs	For the year ended March 31, 2021	For the year ended March 31, 2020
	Unwinding of discount on provision	10,194	9,913
	Interest	2,662	1,126
	Total	12,856	11,039



31	Depreciation and amortization expense	For the year ended March 31, 2021	For the year ended March 31, 2020
	Depreciation of property, plant and equipment	1,54,284	72,320
	Amortization of intangible assets	3,112	465
	Depreciation on right of use assets	10,142	8,765
	<b>Total</b>	<b>1,67,538</b>	<b>81,551</b>
32	Power and fuel	For the year ended March 31, 2021	For the year ended March 31, 2020
	Power and fuel	57,966	41,748
	<b>Total</b>	<b>57,966</b>	<b>41,748</b>
33	Excavation & transport charges	For the year ended March 31, 2021	For the year ended March 31, 2020
	Excavation & transport charges for run of mine	4,78,707	3,54,964
	Excavation & transport charges for overburden	24,29,259	22,78,171
	<b>Total</b>	<b>28,57,966</b>	<b>26,33,135</b>
34	Other expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Rents	6,747	2,681
	Repairs & maintenance	18,249	10,126
	Insurance	1,273	1,153
	Rates and taxes		
	Royalty	4,71,645	3,62,948
	DMF	1,40,895	2,54,397
	NMFT	9,393	16,955
	Cess	21,556	53,166
	Other rates and taxes	18,388	1,48,764
	Other expenses		
	Operating expenses	27,812	20,065
	Expenses for agency services	1,21,11,184	30,50,874
	Discount on sales	88,918	62,485
	Miling charges	-	19,140
	Transport and wagon loading charges	24,729	74,684
	Selling expenses	23,612	96,039
	New project expenses	1,69,836	5,945
	Office & general expenses	81,372	78,488
	Payment on auditors (refer note no 3d ii)	750	750
	Audit fee for other auditors	730	450
	Printing & stationery	12,921	7,740
	Corporate social responsibility expenses	1,02,271	73,080
	Remuneration to out sourced services	8,12,396	4,62,073
	Provision for doubtful debts	-	3,20,300
	Provision for doubtful advances	90,000	2,12,975
	Data processing charges	11,846	7,751
	Rehabilitation expenses	12,953	11,830
	Donations	98,615	13
	All miscellaneous expenditure	157	614
	<b>Total</b>	<b>1,43,60,306</b>	<b>60,92,311</b>



34.3	Payment to auditors	For the year ended March 31, 2021	For the year ended March 31, 2020
	Statutory audit fee	750	750
	<b>Total</b>	<b>750</b>	<b>750</b>
35	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:		
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Current tax:		
	Current income tax charge	6,23,035	14,14,594
	<b>Total (a)</b>	<b>6,23,035</b>	<b>14,14,594</b>
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(42,227)	(1,10,184)
	<b>Total (b)</b>	<b>(42,227)</b>	<b>(1,10,184)</b>
	<b>Total</b>	<b>5,80,789</b>	<b>13,04,409</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2021	For the year ended March 31, 2020
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(1,051)	970
	Leave encashment	(163)	2,309
	Deferred tax on above items		46
	<b>Total</b>	<b>(1,214)</b>	<b>3,325</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Profit/(loss) before tax as per statement of profit and loss	19,04,983	47,46,101
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed Tax Expense	4,79,446	11,94,496
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(42,227)	(1,10,184)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR Expenditure	25,740	18,494
	b) Change in depreciation	26,299	5,418
	c) Provision for doubtful items	22,651	1,36,719
	d) Other items	74,880	59,564
	<b>Total income tax expense for the year</b>	<b>5,80,789</b>	<b>13,04,409</b>



**36. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2021	As at 31.03.2020
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities	62,196	62,196
iv	Dispute towards reimbursement of service tax, collected from barytes buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The corporation is contributing MRTU fund as per G.O.RT No.737, dt 29-03-1997 and as per the GO, the corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O Ms.No.18, dt 13-01-2016 issued a G.O rechristening of DMRTUF trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt 13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>60,30,636</p> <p>4,63,303</p>	<p>51,36,610</p> <p>8,94,026</p>
vi	<p>As per the assessment order issued by the sales tax / vat authorities for the years 1998-99 to 2019-20, the total demand raised, deposits made and remaining un paid amount.</p> <p>{Details given below}</p>	<p>57,583</p>	<p>57,583</p>





<b>B</b>	Contingent liability on BG's:		
	Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of assessment orders issued by the sales tax / vat authorities for the years 1998-1999 to 2020-2021, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
Less: Share of TSMDC		-	(31,104)	-
Share of APMDC		-	<b>46,860</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial assets:</b>					
Investments	-	-	42,113	-	42,113
Loans	-	6,670	30,53,822	-	30,60,492
Trade receivables	-	-	10,42,706	-	10,42,706
Cash and cash equivalents	-	-	12,32,990	-	12,32,990
Other bank balances	-	-	1,02,676	-	1,02,676
Other financial assets	-	-	88,95,953	-	88,95,953
<b>Total</b>	-	<b>6,670</b>	<b>1,43,70,260</b>	-	<b>1,43,76,930</b>
<b>Financial liabilities:</b>					
Trade payables	-	-	-	10,70,340	10,70,340
Other financial liabilities	-	-	-	45,06,318	45,06,318
<b>Total</b>	-	-	-	<b>55,76,658</b>	<b>55,76,658</b>

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial assets:</b>					
Investments	-	-	11,312	-	11,312
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and cash equivalents	-	-	17,10,993	-	17,10,993
Other bank balances	-	-	5,53,894	-	5,53,894
Other financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,329</b>	-	<b>1,58,60,566</b>
<b>Financial liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>



### 3B. Financial risk management

#### A. Management of credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2020-21	2019-20
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	3,77,960
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	3,77,960
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2020-21	2019-20
Ageing	<12 Months	<12 Months
Gross carrying amount	10,42,706	14,89,634
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	10,42,706	14,89,634

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit	
	2020-21	2019-20
Selling price increase by 5%		
Barytes	2,65,295	5,08,883
Agency services	6,43,716	1,55,962
Selling price decrease by 5%		
Barytes	(2,65,295)	(5,08,883)
Agency services	(6,43,716)	(1,55,962)



**b. Packing material price risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Increase by 5%	Increase by 5%	Decrease by 5%
Product name:				
Packing material	-	-	(410)	410

**c. Excavation & transport charges risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Increase by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(21,435)	21,435	(16,748)	16,748
Excavation & transport charges for overburden	(1,21,463)	1,21,463	(1,13,909)	1,13,909

**39. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2021**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,70,340	10,70,340	10,70,340	-
Non-current financial liabilities	32,54,943	32,54,943	-	32,54,943
Current financial liabilities	12,51,376	12,51,376	12,51,376	-
<b>Total</b>	<b>55,76,659</b>	<b>55,76,659</b>	<b>23,21,716</b>	<b>32,54,943</b>



As at 31st March 2020

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2021	As at 31-03-2020
Employers contribution to provident fund	8,872	8,919
Employers contribution to pension fund	5,110	5,442

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March 2020

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	59,039	63,703	54,194	54,884
Service cost	2,102	2,362	1,901	2,072
Interest expenses	3,316	4,467	3,121	4,029
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(17,884)	(10,930)	(14,107)	(4,717)
Remeasurements - actuarial (gains)/losses	1,075	(563)	210	(2,074)
<b>Benefit obligations at the end</b>	<b>47,548</b>	<b>59,039</b>	<b>45,319</b>	<b>54,194</b>





Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	61,363	64,506	88,864	68,073
Interest income	3,497	4,683	5,449	5,807
Employer contributions	812	4,026	1000	19,992
Benefits payments from plan assets	(17,885)	(12,259)	(14,107)	(5,243)
Actuarial gain / (loss) on plan assets	25	406	43	235
<b>Benefit obligations at the end</b>	<b>47,812</b>	<b>61,363</b>	<b>81,249</b>	<b>88,864</b>

**ii. Amount recognized in the balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
PV of obligations at the end of the year	47,649	59,039	45,319	54,194
Fair value of plan assets at the end of the year	47,812	61,363	81,249	88,864
Liability(+) / Asset (-) recognised in the balance sheet	(163)	(2,324)	(35,930)	(34,670)

**iii. Amount recognized in the statement of profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Service cost	2,102	2,362	1,901	2,072
Interest expenses	(180)	(216)	(2,328)	(1,778)
<b>Net expense recognised</b>	<b>1,922</b>	<b>2,146</b>	<b>427</b>	<b>294</b>



iv. Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Actuarial (gain) / losses on obligations for the period	1,075	(563)	210	(2,074)
Actuarial (gain) / losses on plan assets for the period	25	(406)	43	(235)
<b>Net expense recognised</b>	<b>1,100</b>	<b>(970)</b>	<b>253</b>	<b>(2,309)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Rate of discounting	6.77%	6.62%	6.77%	6.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.07	11.42	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Expected cash flow in year 1	5,959	22,239	10,475	22,842
Expected cash flow in year 2	3,575	6,477	7,283	8,451
Expected cash flow in year 3	7,270	5,995	8,216	6,726
Expected cash flow in year 4	6,641	6,801	6,466	6,548
Expected cash flow in year 5	5,528	2,474	5,035	3,706
Expected cash flow in year 6	3,973	4,062	3,817	3,546
Expected cash flow in year 7	4,535	4,467	3,536	3,611
Expected cash flow in year 8	5,035	1,461	3,645	1,646
Expected cash flow in year 9	1,643	7,323	1,704	2,922
Expected cash flow in year 10	8,299	2,761	2,973	1,400



**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	47,649	59,039	0.00%	0.00%
Salary escalation - Up by 1%	50,936	61,802	6.90%	4.70%
Salary escalation - Down by 1%	44,658	56,512	-6.28%	-4.30%
Withdrawal rates - Up by 1%	48,095	59,362	0.94%	0.50%
Withdrawal rates - Down by 1%	47,154	58,682	-1.04%	-0.60%
Discount rates - Up by 1%	45,043	56,933	-5.47%	-3.60%
Discount rates - Down by 1%	50,567	61,386	6.12%	4.00%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	45,319	54,194	0.00%	0.00%
Salary escalation - Up by 1%	47,281	55,996	4.30%	3.30%
Salary escalation - Down by 1%	43,472	52,485	-4.10%	-3.20%
Withdrawal rates - Up by 1%	45,484	54,317	0.40%	0.20%
Withdrawal rates - Down by 1%	45,143	54,064	-0.40%	-0.20%
Discount rates - Up by 1%	43,802	52,914	-3.30%	-2.40%
Discount rates - Down by 1%	46,958	55,573	3.60%	2.50%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.



**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**41. Earnings per share (EPS)**

Particulars	As at 31-03-2021	As at 31-03-2020
Profit after tax before exceptional items	13,54,728	34,47,629
Add: exceptional items	-	-
Profit after tax after exceptional items	13,54,728	34,47,629
Profit available for equity shareholders	13,54,728	34,47,629
Weighted number of equity shares outstanding	63,062	63,062
Nominal value of equity share	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	21,482.48	54,670.47
Basic and diluted earnings per share (In Rupees) – after exceptional item	21,482.48	54,670.47

**42. Segment Information****i. Description of segment and principal activities**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.





**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 31,70,242/- Thousands (P.Y 67,28,557/- Thousands) is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2020-21**

Particulars	For the year ended 2020-21		
	Mining projects	Sand operations	Unallocated
<b>Segment revenue</b>			
External revenue *	53,05,891	1,28,74,328	-
<b>Total segment revenue</b>	<b>53,05,891</b>	<b>1,28,74,328</b>	<b>-</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21		
	Mining projects	Sand operations	Unallocated
<b>Segment results</b>			
Profit / (Loss)	20,76,905	70,699	-
Unallocated other income	-	-	4,99,382
Unallocated expenses and finance cost	-	-	(7,42,004)
<b>Profit before exceptional items and tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,42,622)</b>
Exceptional items			
Profit on investment in JV	-	-	30,535
<b>Profit before tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,12,087)</b>
Income tax - current	-	-	6,23,016
Deferred tax	-	-	(42,227)
<b>Profit after tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(7,92,876)</b>
<b>Other Information</b>			
Segment assets **	47,27,877	15,14,533	2,50,80,270
Segment liabilities **	11,90,143	16,95,868	49,63,732
Capital work in progress	-	2,305	-
Depreciation and amortisation	30,255	1,16,550	20,733
Non-cash expense other than depreciation and amortisation	-	-	90,506





\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

1. Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the financial year 2019-20**

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	1,01,77,668	31,19,243	-	1,32,96,910
<b>Total segment revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>		<b>1,32,96,910</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit / (Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income			7,27,512	7,27,512
Unallocated expenses and finance cost			(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
<b>Exceptional items</b>				
Profit on investment in JV			5,938	5,938
<b>Profit before tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(55,295)</b>	<b>47,52,039</b>
Income tax - current			14,14,594	14,14,594
Deferred tax			(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(13,59,705)</b>	<b>34,47,629</b>
<b>Other information</b>				
Segment assets **	42,81,513	14,17,756	2,23,67,649	2,80,66,918
Segment liabilities **	10,25,741	10,88,149	38,33,882	59,47,772
Capital work in progress		13,830		13,830
Depreciation and amortisation	36,956	21,768	22,837	81,561
Non-cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667

\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

1. Segment assets and liabilities are subject to reconciliation



### 43. Related party transactions

#### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2021	As at 31-03-2020
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

#### Key Management Personal:

Name of the related party	Relation
Sri M. Madhusudhan Reddy I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director
Sri Hari Narayanan I.A.S (01.06.2020 to 01.02.2021)	Vice Chairman & Managing Director
Sri VG Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

#### Others

Name of the related party	Relation
AP state Fibrenet limited	Fellow Government company / Authority
Machilipatnam Urban Development Authority	
Royalaseema Steel Corporation limited	
AP High Grade Steel limited	



**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,24,655
Pallavared granite private limited	62,855

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
Andhra Pradesh granite (Midwest) private limited	83,980	1,50,844
Pallavared granite private limited	87,586	59,427
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2021	As at 31-03-2020
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	19,726
Pallavared granite private limited	10,744	10,744

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2021	As at 31-03-2020
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCI Suliari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679
Investment in joint ventures	As at 31-03-2021	As at 31-03-2020
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex baryte private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217





maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.

- ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at sand reaches and stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation, internal transportation expense have been based on the certification by the district sand officer/ district sand In charge (DSO /DSI). The relevant office documents that authorize an individual as district sand officer/ district sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.





- e. The data from the software developed by M/s Code Tree Software Solutions was used for recognizing agency Income and transportation income. However, on conclusion of the sand operations in May 2021, the sand portal as well as the agreement with M/s Code Tree was discontinued. Despite several requests, Code Tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the door delivery of sand
- Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
  - Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the sand portal. Basic KYC details such as Name, PAN. etc. regarding sand door delivery transporters were not available on record.
  - Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on sand portal data and the transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.
- g. The details of the receipts have not been provided to us by director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs. 50,91,93,352/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. The vouchers nor supporting's were maintained for the bulk payments of door delivery of transportation of sand and boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where sand receipt amounts were received from end customers directly in our bank account without routing it through director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with director of mines and geology. The receipts were received in



various mode of payments such as DDs, UPIs and cash directly deposited in our Bank Account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with director of mines and geology.

k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:

i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).

ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.

iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.

Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.

iv. No verification of basic KYC details of the Boatsman Societies such as PAN, Proof of constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of financial year.

v. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.

vi. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the district administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.

l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.



**45. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.



Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.

#### 46. Deferred tax asset /(liability)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,279	2,335
Provision for decommissioning asset	28,690	26,688
Property, plant and equipment	22,081	4,299
Other provisions	2,10,820	1,88,320
<b>Total deferred tax asset</b>	<b>2,63,870</b>	<b>221,643</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,517	2,517
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,517</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,61,353</b>	<b>2,19,126</b>





#### 47. CSR expenditure

- a. Gross amount required to be spent by the company during the year is Rs.85,707 (Previous Year Rs.88,324).
- b. Amount spent during the year

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Construction/ acquisition of any assets	-	-
Purpose other than above	1,02,271	73,084

#### 48. Treatment of demerger plan in the books of accounts

- a. The AP re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana
- b. Section 53 of the AP re-organization Act 2014 provides the basis and procedure for distribution of assets & liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined state of Andhra Pradesh) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No/APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities





Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's funds</b>			
Share capital	63,062	36,778	26,284
Reserve & surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. grants	19	11	8
<b>Current/Non-current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-current assets</b>			
Property, plant and equipment	34,405	20,065	14,340
Non-current investment	49,944	29,128	20,817
Loans & advances	36,60,022	21,34,525	15,25,497
<b>Current assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & bank balances	439	256	183
Fixed deposits – BG	13,72,772	8,00,600	5,72,171
Other fixed deposits	81,62,135	47,60,157	34,01,978
Other current assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### Amounts held in current accounts, fixed deposits, sweep accounts

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs 83,41,061/- thousands (Sweep accounts of Rs.77,873 /- and fixed deposits of Rs.82,63,188/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on



#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy. Infrastructure & Investment (Airports) department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:



(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority(MUDA)**

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, board of directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good. Further, no interest has been recognised in the books of accounts.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.





## **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce Department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to District Collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels limited as on 15<sup>th</sup> September, 2020. During the year an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and District Collector, YSR Kadapa district, hence, an amount of Rs.9.00 crores have been provided towards additional provision for doubtful advance during the year, totalling to Rs.11.00 crores till 31-03-2021.

## **53. Loan to M/s. Thriveni Earth Movers Private limited**

During the previous year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40.00 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40.00 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35.00crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory; the corporation released an amount of Rs.30.00crores on March 18, 2020 against the bank guarantee. Total advance amount of Rs.70.00 crores has been repaid during the year along with the applicable interest in full.

## **54. Non valuation of Inventory**

### **a. C+D+W grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W grade of barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is





recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (59.22 lakhs MTs) is considered without value.

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS Contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020. The closing stock as on 31.03.2021 is 2.04 lakh MT (including 470 MTs of 1<sup>st</sup> Grade), which the company has not valued.

#### 55. Leasehold lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
	<b>Total</b>	<b>2,556.86</b>

#### 56. Additional information

##### 56.1 Particulars of consumption of raw material

Particulars	(Rs. in, Thousands)			
	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	-	-	8,191	100.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,191</b>	<b>100.00</b>



## 56.2 Particulars of consumption of stores & spares

(Rs. in. Thousands)

Particulars	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	18,249	100.00	10,126	100.00
<b>Total</b>	<b>18,249</b>	<b>100.00</b>	<b>10,126</b>	<b>100.00</b>

## 57. Non adoption of previous year financials at the general meeting by the members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2020 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022 and 22<sup>nd</sup> August, 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, and 31<sup>st</sup> March, 2020, the board of directors of the company in their meeting held on 22<sup>st</sup> August, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2020. The reported amounts as on 31<sup>st</sup> March, 2021 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 58. General

- During the year company has operated public deposits accounts (PD Account) with the treasury department Government of Andhra Pradesh (GoAP). No funds have been credited to this account given by any other government or agencies except the GoAP. There are no restrictions or additional permissions required for withdrawing the funds from this account. There are no returned/unpaid bills under this account as on March 31, 2021.
- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.



- d. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- e. All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No 0006565



A.V. Raghava Rao  
Partner  
Mem No.200578



Place: Vijayawada  
Date: October 10, 2023

UDIN: 23900578 BGXUFV1126

for and on behalf of the board of directors



V.G. Venkata Reddy  
VC & MD  
DIN:08805525



Raman Narayanan  
Director  
DIN:10267130



A. Nageswara Reddy  
General Manager F&A





## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

We do not express an opinion on accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

#### **Basis for Disclaimer of Opinion**

- i) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment Int. on FDR's, BGs & Sweep	19	Other Financial liabilities (non-current)	62,14,09,063	Cr
2	{SBI} to Telangana	19	Other Financial liabilities (non-current)	1,62,94,83,736	Cr



3	APMDC Telangana Region Advance (Cr)	19	Other Financial liabilities (non-current)	87,58,03,948	Cr
4	APMDC - ISMDL - Advances	9	Other Non-current Assets	21,89,97,208	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,46,70,13,303	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,32,66,76,657	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	19,48,00,730	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,16,45,65,376	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,87,37,475	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	21,16,85,756	Dr
11	Int. Accr. on FDR kept for BG's	14	Other Financial Assets (Current)	8368316	Dr
12	Int. Accr. on FDR kept for BG Without Lien	14	Other Financial Assets (Current)	4,53,98,768	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	4,38,16,594	Dr
14	Int. on Fixed Deposits	28	Other Income	26,47,28,818	Cr
15	Int. on FD kept for BG	28	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	28	Other Income	3,62,90,734	Cr
17	Int. on Sweep account SBI, Khairatabad	28	Other Income	24,56,795	Cr
18	Vijayawada (bank)	6	Cash and cash equivalents	1,85,20,834	Dr

i) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2022 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification

iii) The following Ledger balances as on March 31, 2022 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2022 (In Rs.)
Adv.to LL Panch Raj Dep (RUP)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,50,26,13,755
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796





Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

- iv) In respect of property, plant and equipment, the Fixed Assets Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supporting evidences are available for verifying the dates of put to use. In the absence of the same, in many of the cases the date of invoice has been assumed to be as date of put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are unable to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, we are also unable to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.
- v) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vi) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court fees payable amounting to Rs. 337.50 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- vii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- viii) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax ACT.



Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.

- ix) The company has Trade Receivables balance amounting to Rs. 302.45 Crores and advance from customers amounting to Rs. 11.92 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 302.45 Crores and Advance from Customers amounting to Rs. 11.92 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.
- x) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C JV	5,42,81,229	Dr
4	Sri R V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balances in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xi) The Company has released an interest free unsecured loan of Rs. 100.00 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial year 2020-21 and financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xii) The Company has released unsecured loan of Rs. 200.00 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



- xiii) The company has accounted for interest on credit sales amounting to Rs. 1.69 crores for the financial year 2021-22. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2022 has not been recognised which is not in line with the accounting policy followed by the company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2022. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xiv) Balance in Suspense Account amounting to Rs. 1,26,47,375 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xv) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software, it is to report that:
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
  - b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification.



Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.

- c) As per the financial statements for Financial Year 2021-22, no reconciliation has been provided with respect to Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology up to 31<sup>st</sup> March 2022. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- d) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilo meter (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Company with the Transporters. The transportation charges payable has to be derived based on the Kilometers as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometers certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometers as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- e) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- f) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supporting's are not available for verification, the details of which are as follows:
  - i. Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as





applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.

- ii. Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
- iii. TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- g) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available. And in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.





## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

## **Other Matters**

1. The financial statements of the Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2020 and March 31, 2021 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August 2023 and 22<sup>nd</sup> September 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021, the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> November, 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2022 considering the opening balances based on the financial statements as approved by the Board, audited by us for the year ended March 31, 2021, and audited by the previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as



on March 31, 2022 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 and subsequent approval at the Annual General Meetings.

2. Note No.45 and Note No.57 of notes to the accounts has to be considered in respect sand and survey stones businesses.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Company.
  - f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable, as the Company is a Government Company.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.



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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 37 to the Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis statement

v. The Company has not declared or paid any dividend during the year



3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Vijayawada

Date: 14<sup>th</sup> December, 2023

For Chowdary & Rao  
Chartered Accountants  
FRN 000656S  
  
CA. A.V. Raghava Rao  
Partner  
M.No. 200578  
UDIN: 24200578 BKALYT4262

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2022)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report the following:

- (i) In respect of Company's fixed assets
  - a) A. In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc., of its fixed assets (property, plant and equipment).  
  
B. The company has not maintained proper records showing full particulars of its intangible assets.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
  - d) According to the information and explanations given to us and on the basis of our examination of the record of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year Physical verification of Inventory has been conducted by the Management during the year. However, there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we are unable to comment upon the same.
  - e) According to the information and explanations given to us and on the basis of our examination of the record of the company, any proceedings have not been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) In respect of inventory
  - A. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management.
  - (b) The coverage and procedure of physical verification of inventory followed by the management is reasonable, adequate and appropriate in relation to the size of company and the nature of its business.
  - (c) The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material for each class of inventory and the same have been properly dealt with in the books of accounts.





8. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not availed any working capital loans during the year
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (ix) of the Paragraph 3 of the Order.
- (iv) As per Notification GSR 403 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non availability of payment portal.

S.No	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Tax deducted at Source	2019-20	8,32,824
2	Central Goods and Services Tax, Act	Tax deducted at Source	2019-20	1,29,10,730
3	Income Tax Act	Tax deducted at Source	2018-19	5,01,375
4	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972



5	Mines and Minerals Merit (Development Regulation Act)	2016-17 to 2019-20	90,66,196
6	Mines and Minerals Cess (Development Regulation Act)	2016-17 to 2021-22	17,56,45,426
7	Mines and Minerals Royalty from Sub leaseholders (Development Regulation Act)	2018-19 to 2021-22	12,92,491

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

- (viii) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no such instances noticed where transactions are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). There is no previously unrecorded income which has been properly recorded in the books of account during the year.



(ix) In respect of loans availed

- (a) According to the information and explanations give to us and on the basis of our examination of the records of the Company, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, clause 3 (ix) (a) of the order is not applicable.
- (b) According to the information and explanations give to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank of financial institution or government of government authority.
- (c) According to the information and explanations give to us by the management, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, Clause 3(ix) (d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company. We report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.

(x) (a) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review in terms of provisions of section 42 and section 62 of the Companies Act, 2013.

(xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. In the absence of adequate records and material evidences, we are unable to comment whether any fraud has taken place or not.

- (b) No Audit Report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act.

- (c) According to the information and explanations given to us, no whistle blower complaint has been received by the company during the year.



- (xii) The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business
- (b) The Reports of the Internal Auditors for the period under audit were considered.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of Paragraph 3 of the Order is not applicable.
- (xvii) According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dated of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not Capable of meeting its liabilities existing at the date of balance sheet date. We however, state that this is not an assurance as to the futures viability of the Company. We further neither state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date. Will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanation given to us and based on our examination of the records of the company, in respect of CSR Expenditure other than ongoing CSR projects, there were amount Rs. 9,71,878 remaining unspent u/s 135 (5) of the Companies Act, the company did not transfer the unspent amount, which is required to be transferred to a fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;



(b) There is no such amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which has been required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act

Place: Vijayawada

Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

CA. A.V. Raghava Rao  
Partner  
M. No : 200578

UDIN: 24200578 BKA LYT 4262



## **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2022)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2022

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of Property, Plant and Equipment.
- e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations,
  - i. The company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - ii. Periodic Reconciliation of Bank Balances have not been done.
  - iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.



- iv Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, EMD/PSD register, register of contractors and register of tender schedules sold

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2022 and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a Disclaimer of opinion on the standalone financial statements of the Company.

Place: Vijayawada

Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants

FRN 0006565

CA. A.V. Raghava Rao  
Partner

M. No: 200578

UDIN: 24200578 BKALYT4262

# ANNEXURE-C to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no





	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>The Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year, the company raised a term loan for investment in the suliyari coal mine, and the same has been initiated and utilised for the purpose for which it is availed. No amount has been deposited in the PD Account from this term loan.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p>





	e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	e) There are no returned/ unpaid bills as on 31-03-2022.
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the physical verification of property, plant and equipment report submitted by NSRK & Associates and as confirmed by the management, no such instances have taken place during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory and stores and spares in FY 2021-22 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2021-22 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.




13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2021-22 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place, Vijayawada  
Date, 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 0006565

  
CA. A.V. Raghava Rao  
Partner  
Mem No: 200578

UDIN: 24200578 BKALYT 4262

The Andhra Pradesh Mineral Development Corporation Limited

Standalone Balance sheet as at March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,687	6,530
Right-of-use assets	3	42	144
Capital work in progress	5	1,144	22
Other intangible assets	3	8,260	414
Intangible assets under development	3	1,42,107	84,019
<b>Financial assets</b>			
Investments	4	110	110
Loans	5	678	3,441
Other financial assets	6	91,504	85,622
Deferred tax assets (net)	7	2,473	2,614
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	42,079	35,570
<b>Total non-current assets</b>		<b>5,00,483</b>	<b>2,77,475</b>
<b>Current assets</b>			
Inventories	10	9,786	17,293
<b>Financial assets</b>			
Trade receivables	11	26,721	10,427
Cash and cash equivalents	12	13,754	12,130
Other bank balances	13	13,105	1,027
Loans	13	10,265	27,114
Other financial assets	14	3,119	3,138
Other current assets	15	6,860	13,513
<b>Total current assets</b>		<b>1,22,191</b>	<b>85,441</b>
<b>TOTAL ASSETS</b>		<b>6,22,674</b>	<b>3,12,916</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	631	631
Other equity	17	2,63,420	1,31,788
<b>Total equity</b>		<b>2,64,051</b>	<b>1,32,419</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	45,152	-
Other financial liabilities	19	31,978	12,549
Provisions	20	9,137	1,140
Other non-current liabilities	21	254	254
<b>Total non-current liabilities</b>		<b>86,522</b>	<b>32,944</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	5,400	-
Trade payables	23	11,324	10,703
Other financial liabilities	24	58,291	12,514
Other current liabilities	25	5,990	14,850
Current tax liabilities	26	9,206	6,447
<b>Total current liabilities</b>		<b>70,301</b>	<b>44,514</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,22,674</b>	<b>3,12,916</b>

Notes to financial statements

1-61

The accompanying notes are an integral part of these standalone financial statements.

As per our report

For and on behalf of the Board of Directors

For Chandray B Rao  
Chartered Accountants  
Firm Regn No: 0005565

V.G.Venkata Reddy  
VC & MD  
DIN: 0005523

Raman Narayanan  
Director  
DIN: 00267130

A.V. Raghava Rao  
Partner  
Mem No.200578

A.Nageswara Reddy  
General Manager - F&A

Date: 14-12-2023

Place: Vijayawada  
Date: November 22, 2023

UDIN: 24200578 BKA LYF14262


**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2022**  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,15,002	1,81,802
Other income	28	5,158	5,526
<b>Total income</b>		<b>1,20,161</b>	<b>1,87,331</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	8,445	(9,429)
Employee benefits expense	30	3,957	3,144
Finance costs	31	1,738	170
Depreciation and amortization expense	32	566	1,673
Power and fuel	33	580	580
Excavation & transport charges	34	27,686	28,580
Other expenses	35	35,831	1,43,604
<b>Total expenses</b>		<b>79,202</b>	<b>1,68,281</b>
<b>Profit before exceptional items and tax</b>		<b>40,958</b>	<b>19,050</b>
<b>Add : Exceptional items (Net)</b>			
<b>Profit before tax</b>		<b>40,958</b>	<b>19,050</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	36	10,994	6,231
Deferred tax	36	191	(422)
<b>Total tax expense/(benefit)</b>		<b>11,185</b>	<b>5,808</b>
<b>Profit for the year from continuing operations</b>		<b>29,773</b>	<b>13,242</b>
Profit from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
<b>Net Profit from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>29,773</b>	<b>13,242</b>
<b>Other comprehensive income</b>			
Items that will not be rec-assigned to profit or loss income tax on above items		(140)	112
<b>Total other comprehensive income for the year (B)</b>		<b>(140)</b>	<b>112</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>29,632</b>	<b>13,229</b>
<b>Earnings per equity share (in Rs) -</b>			
<b>[Nominal value of share Rs.1000/-]</b>			
- Basic	42	47,211.87	20,998.27
- Diluted		47,211.87	20,998.27
<b>Notes to financial statements</b>	<b>1-61</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

  
 A.V. Raghava Rao  
 Partner  
 Mem No.200578


Date: 14-12-2023

UDIN: 24200578 BKALYT4262

For and on behalf of the Board of Directors

  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

  
 Raman Narayanan  
 Director  
 DIN: 10267130

  
 A. Nageswara Reddy  
 General Manager - F&A

Place : Vijayawada  
 Date : November 22, 2023

## Statement of changes in equity for the year ended March 31, 2022

Balance Sheet as at March 31, 2022

## A. Equity share capital

Particulars	No. of Shares	(Rs. in '000's)
		Deposits/ adjustments/ transfer
Balance as at April 1, 2020		
Changes in equity share capital during 2020-21	63,062	1.1.062
Balance as at April 1, 2021	63,062	63,062
Changes in equity share capital during 2021-22		
Balance as at March 31, 2022	63,062	63,062

## B. Other equity

Particulars	Reserve and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2020	110	854	17,050	2,02,498	(57)	133	(30)	2,20,558
Profit for the year				13,242				13,242
Other comprehensive income for the year						(12)		(12)
Total comprehensive income for the year								
Transfer to reserve for bad and doubtful debts		(256)		13,242		132		13,279
Balance as at March 31, 2021	110	597	17,050	2,15,998	(57)	121	(30)	2,39,768
Profit for the year				25,771				25,771
Other comprehensive income for the year						(103)		(103)
Total comprehensive income for the year								
Transfer to reserve for bad and doubtful debts		534		25,771		140		26,445
Balance as at March 31, 2022	110	1,531	17,050	2,44,835	(57)	(19)	(30)	2,63,420

## As per our report

For Chowdary &amp; Rao

Chartered Accountants

Firm Regn No: 0006565

A.V. Raghava Rao

Partner

Mem No. 200578

Date: 14-12-2023



For and on behalf of the Board of Directors

V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
CIN: 10267136

A. Nageswara Reddy  
Group Manager - F&A



Place: Vijayawada

Date: November 22, 2023

UDIN: 24200578 BKALY T4262



The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the year ended March 31, 2022  
 All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	40,958	19,450
Adjustments for:		
Interest expense	1,607	27
Unwinding of discounting on provisions	131	107
Interest income	(4,724)	(5,138)
Depreciation and amortization expense	566	1,675
Provision for bad & doubtful advances	-	900
Liabilities no longer required written back	(262)	(2)
<b>Operating profit before working capital changes</b>	<b>38,774</b>	<b>16,415</b>
Adjustments for:		
Increase/(decrease) in trade payables	520	2,660
Increase/(decrease) in provisions	7,987	(33)
Increase/(decrease) in other financial liabilities	27,120	6,156
Increase/(decrease) in other liabilities	(8,900)	10,047
Decrease/(increase) in trade receivables	(16,284)	4,469
Decrease/(increase) in inventories	8,507	(9,435)
Decrease/(increase) in other assets	547	118,085
Decrease/(increase) in other financial assets	(5,264)	(1,439)
<b>Cash generated from operations</b>	<b>53,299</b>	<b>7,196</b>
Direct taxes paid (net of refunds)	8,145	5,479
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>45,153</b>	<b>1,716</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets including intangible assets under development, CWIP and capital advances	(64,580)	(22,027)
Movements in other bank balance	(32,076)	4,512
Loans repaid / given to parties	-	5,885
Loans repaid / given to staff	(138)	(63)
Interest received	4,226	5,336
Proceeds from sale of NSC bonds	-	0
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(92,563)</b>	<b>(6,356)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	50,542	-
Interest paid	(1,607)	(27)
Payment of lease liability	(114)	(114)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>48,831</b>	<b>(141)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,404</b>	<b>(4,780)</b>
Cash and cash equivalents at the beginning of the year	12,430	17,110
<b>Cash and cash equivalents at the end of the year</b>	<b>13,734</b>	<b>12,330</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0	1
Balances with scheduled banks		
With current accounts	13,734	12,327
<b>Total cash and cash equivalents (Note 12)</b>	<b>13,734</b>	<b>12,330</b>

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0005565

A.V. Raghava Rao  
 Partner  
 Mem No.200578

Date: 14-12-2023

UDIN: 24200578 BKALYT 4262



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
 VC & MD  
 DIN: 08805525

Raman Narayanan  
 Director  
 DIN: 10267130

A.Nageswara Reddy  
 General Manager - F&A

Place : Vijayawada  
 Date : November 22, 2023



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh-521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and defined benefit and other long term employee benefits that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period.



Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

### **Judgements**

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

### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geominig terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.



### **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.





Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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



The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

**Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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



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

#### **Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.





Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is





restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which



it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.



Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.



**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.





A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**III. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods, and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or





other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, right of use asset for the year ended March 31, 2022

Note -3

**Property, Plant and Equipment For The Year Ended 31.03.2022**

Particulars	Cost as at April 1, 2021	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2022	Accumulated Depreciation as at April 1, 2021	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2022	Net block as at March 31, 2022	Net block as at March 31, 2021
Land	2,803	1,635	-	4,438	-	-	-	-	4,438	2,803
Quarries & Pucca Construction	437	-	-	437	129	23	-	252	185	208
Mining Equipment	709	3	-	712	118	39	-	557	155	191
Furniture & Fixtures	191	9	3	198	120	19	1	138	59	71
Office Equipment	2,595	6	7,554	247	1,243	40	1,118	315	57	1,352
Data Processing Equipment	739	61	42	799	191	24	23	194	65	46
Vehicles	196	27	-	223	123	30	-	154	70	75
Tools & Tools	31	18	-	47	29	-	-	31	17	7
Plant & Machinery	3,133	95	1,125	1,870	1,356	170	507	1,319	652	1,755
Leasehold building	735	-	-	735	727	21	-	741	34	27
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>409</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Less: Depreciation capitalised during the year						6				
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>402</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Previous year - 2020-21	9,810	757	-	10,567	2,490	1,543	-	4,037	6,530	7,320
<b>LEASED ASSETS - RIGHT OF USE</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Right of use asset	333	-	-	333	189	101	-	290	42	144
<b>Total</b>	<b>333</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>189</b>	<b>101</b>	<b>-</b>	<b>290</b>	<b>42</b>	<b>144</b>
Previous year - 2020-21	333	-	-	333	189	101	-	290	144	245
Other Intangible Assets										
<b>Class Of Asset</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Computer Software	34	-	-	34	29	2	-	31	3	4
Mining Property	466	7,879	-	8,345	56	32	-	89	8,257	417
<b>Total</b>	<b>499</b>	<b>7,879</b>	<b>-</b>	<b>8,378</b>	<b>85</b>	<b>34</b>	<b>-</b>	<b>119</b>	<b>8,260</b>	<b>419</b>
Previous year - 2020-21	499	-	-	499	84	31	-	95	419	445
Exploration Intangible assets under development	84,099	56,032	-	1,40,131	-	29	-	-	1,40,102	84,099
Previous year - 2020-21	82,710	21,389	-	84,099	-	-	-	-	84,099	82,710
Capital Work in Progress	23	1,144	23	1,144	-	-	-	-	1,144	23
Previous year - 2020-21	138	-	125	23	-	-	-	-	23	138



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current Investments	As at March 31, 2022	As at March 31, 2021
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies:		
	i. M/s. AMOC - 50% subsidiary company limited		
	3,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s. Rajgarh Coal Company Limited		
	5,000 equity shares (March 31, 2022 - 100% of Rs. 100/- each)	50	50
	Less: Provision made for diminution in the value of shares	(50)	(50)
	iii. M/s. Adipale minerals mining company private limited		
	55,100 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	551	551
	Less: Provision made for diminution in the value of shares	(551)	(551)
	iv. M/s. Andhra Proschard Private Limited		
	1,10,000 equity shares (March 31, 2022 - 100% of Rs. 100/- each)	110	110
	Less: Provision made for diminution in the value of shares	(110)	(110)
	Investment in Associates		
	v. M/s. Kishan mineral development private limited		
	65,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SHAP mineral private limited		
	3,25,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	3250	3250
	Less: Provision made for diminution in the value of shares	(3250)	(3250)
	vii. M/s. Acham minerals exports private limited		
	1,30,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	1300	1300
	Less: Provision made for diminution in the value of shares	(1300)	(1300)
	viii. M/s. Krishna Minerals Exports Private Limited		
	1,30,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	1300	1300
	Less: Provision made for diminution in the value of shares	(1300)	(1300)
	ix. M/s. Manjivra minerals private limited		
	1,40,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	1400	1400
	Less: Provision made for diminution in the value of shares	(1400)	(1400)
	x. M/s. Degeet Minerals Exports private limited		
	3,25,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	3250	3250
	Less: Provision made for diminution in the value of shares	(3250)	(3250)
	xi. M/s. BIP minerals private limited		
	1,35,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	1350	1350
	Less: Provision made for diminution in the value of shares	(1350)	(1350)
	xii. M/s. A. J. Minerals & Metals private limited		
	25,000 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	250	250
	Less: Provision made for diminution in the value of shares	(250)	(250)
	xiii. M/s. Andhra Proschard minerals private limited		
	28,600 equity shares (March 31, 2022 - 100% of Rs. 10/- each)	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)



Investments in Joint Ventures			
i.e. M/s. A.P. Green (P) (Private) Limited			
11,00,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		110	110
ii. M/s. A.P. Green (P) (Private) Limited			
11,00,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		110	110
Less: Provision made for diminution in the value of shares		(110)	(110)
iii. M/s. Patanandi Green (Private) Limited			
11,00,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		110	110
Less: Provision made for diminution in the value of shares		(110)	(110)
iv. M/s. Empire of Energy Development Private Limited			
1,320 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		13	0
Less: Provision made for diminution in the value of shares		(13)	(10)
v. M/s. Andhra Energy Corporation Private Limited			
8,52,500 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		85	85
Less: Provision made for diminution in the value of shares		(85)	(85)
vi. M/s. Andhra Pradesh Iron Ore Company Limited			
6,850 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		68	6
Less: Provision made for diminution in the value of shares		(68)	(13)
vii. M/s. Times Energy Private Limited			
4,50,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		45	45
Less: Provision made for diminution in the value of shares		(45)	(45)
viii. M/s. V. Minerals Private Limited			
1,100 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		11	1
Less: Provision made for diminution in the value of shares		(11)	(11)
Investments measured at amortised cost			
Investment in Government Securities (Unquoted)		71	71
Less: Provision made for doubtful investment		(71)	(71)
		180	110
Aggregate amount of equity investments - Market value			
Aggregate amount of equity investments - Book value			
Aggregate amount of unquoted investments		110	110
Aggregate amount of impairment		576	576
Aggregate Provision made for doubtful investment		71	71
5. Assets (Non-current)		As at March 31, 2022	As at March 31, 2021
Deposits with others			
Unsecured, considered good		240	129
Unsecured, considered doubtful		93	91
Less: Provision for doubtful debts		(93)	(91)
Loan to others			
Unsecured, considered good			3,000
Loan to A.P. State Fertiliser Limited (Refer Note 49)			
Loan and advances to employees			
Unsecured, considered good		108	90.7
Unsecured, considered doubtful		4	4
Less: Allowance for bad and doubtful debts		(10)	(9)
Total		678	3,495



6	Other financial assets (Non-current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, non-derived good - Refer note 4B		
	Balance in current accounts (fixed)	145	181
	Long term bank deposits	90,117	84,867
	Swap accounts	787	179
	Unsecured, considered doubtful		
	Balance in post office savings account	40	40
	Less: Provision for doubtful portion	(40)	(40)
	<b>Total</b>	<b>91,109</b>	<b>85,227</b>
7	Deferred tax asset (net)	As at March 31, 2022	As at March 31, 2021
	Deferred tax asset		
	Property, plant & equipment	-	271
	Impact of deferred tax charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	5	15
	Provision for deferred tax on intangible assets	7,799	287
	Provision for lease liability - assets	2	7
	Provision for good & doubtful debts, investments & advances	2,617	7,361
	<b>Total deferred tax asset</b>	<b>10,423</b>	<b>7,941</b>
	Deferred tax liability		
	Property, plant & equipment	(1,897)	-
	Investment	(125)	(125)
	<b>Total deferred tax liability</b>	<b>(2,022)</b>	<b>(250)</b>
	<b>Net deferred tax asset</b>	<b>8,401</b>	<b>7,691</b>
8	Non-current tax assets	As at March 31, 2022	As at March 31, 2021
	Income Tax		
	Corporate tax - advance	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>
9	Other non-current assets	As at March 31, 2022	As at March 31, 2021
	A) Capital advances		
	Unsecured, non-derived good	2,140	2,130
	Unsecured, non-derived doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>2,140</b>	<b>2,130</b>
	B) Advances other than capital advances		
	Unsecured, non-derived good	19,031	19,577
	Unsecured, non-derived doubtful	1,780	1,780
	Less: Provision for doubtful advances	(1,780)	(1,780)
		<b>19,031</b>	<b>19,577</b>
	C) Others - unperfected		
	Unsecured, non-derived good	16,991	16,991
	Unsecured, non-derived doubtful	1,998	1,998
	Less: Provision for doubtful advances	(1,998)	(1,998)
	Prepaid expenses	1	2
		<b>16,991</b>	<b>16,993</b>
	<b>Total</b>	<b>42,079</b>	<b>38,574</b>
10	Inventories	As at March 31, 2022	As at March 31, 2021
	Finished goods	8,739	17,164
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	2	147
	<b>Total</b>	<b>8,733</b>	<b>17,293</b>





11	Trade receivables (Current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, considered good	24,00	10,427
	Unsecured, considered credit impaired	1,574	3,790
	Less: Impairment allowance for doubtful debts	(13,524)	(13,790)
	Unbilled Receivables	120	-
	<b>Total</b>	<b>11,170</b>	<b>10,427</b>
12	Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
	Cash and cash equivalents		
	Balance with banks		
	in current accounts	13,734	12,327
	in term deposit	0	0
	<b>Total</b>	<b>13,734</b>	<b>12,327</b>
	Other bank balances		
	<b>Total</b>	<b>13,734</b>	<b>12,327</b>
13	Loans (current)	As at March 31, 2022	As at March 31, 2021
	Loans to others		
	Unsecured, considered good		
	Loan to AP state Khmer Limited & Machulabham Urban Development Authority. Refer Note 49 & 50	30,000	27,000
	Loans and advances to employees		
	<b>Total</b>	<b>30,000</b>	<b>27,000</b>
14	Other financial assets (Current)	As at March 31, 2022	As at March 31, 2021
	Advances receivable in cash		
	Unsecured, considered good		
	Interest accrued on deposits		
	Unsecured, considered good	1,173	3,338
	Unsecured, considered doubtful	244	244
	Less: Provision for the doubtful portion	(244)	(244)
	<b>Total</b>	<b>1,173</b>	<b>3,338</b>
15	Other current assets	As at March 31, 2022	As at March 31, 2021
	A) Advances receivable		
	Unsecured, considered good	709	560
	<b>Total</b>	<b>709</b>	<b>560</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	5,339	12,450
	Prepaid expenses	510	572
	Others	293	380
	<b>Total</b>	<b>6,442</b>	<b>13,382</b>
	<b>Total</b>	<b>7,151</b>	<b>13,912</b>



16	Equity share capital	As at March 31, 2022	As at March 31, 2021
	<b>Purchased share capital:</b>		
	1,00,000 equity shares of Rs. 100/- each	1,000	1,000
	(March 31, 2019: 1,00,000 equity shares of Rs. 100/- each)	1,000	1,000
	<b>Issued, subscribed and fully paid up share Capital:</b>		
	63,062 equity shares of Rs. 100/- each, fully paid up	6,311	6,311
	(March 31, 2019: 63,062 equity shares of Rs. 100/- each)	6,311	6,311
		<b>6,311</b>	<b>6,311</b>
16.1	<b>Additional notes:</b>		
	<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>		
	Particulars	As at March 31, 2022	As at March 31, 2021
	Shares outstanding at the beginning of the year	61,062	47,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	<b>61,062</b>	<b>47,062</b>
16.2	<b>Rights, preferences and restrictions attached to equity shares</b>		
	The company has 63,062 equity shares having a par value of Rs. 100/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential payments. The distribution will be in proportion to number of equity shares held by the shareholders.		
16.3	<b>The details of shares in the Company held by each shareholder holding more than 5% shares</b>		
	Name of the share holder	As at March 31, 2022	As at March 31, 2021
	Governor of the Andhra Pradesh represented by assistant secretary to Government G.S. GSS (100%)	61,062	1,00,000
	Ministry of Industries & Commerce Government	-	-
17	Other equity	As at March 31, 2022	As at March 31, 2021
	<b>Capital reserves:</b>		
	Free reserve equity shares for conversion other than cash as held by:		
	M/s. Apurva minto (200000) private limited		
	65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each	7	7
	Fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	M/s. SRM minimal private limited		
	1,25,000 equity shares (March 31, 2021: 1,25,000) of Rs. 10/- each	31	31
	Fully paid up	31	31
	Less: Provision made for diminution in the value of shares	(33)	(33)
	M/s. Arun mineral resources private limited		
	1,10,000 equity shares (March 31, 2021: 1,10,000) of Rs. 10/- each	13	13
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	M/s. Arun mineral resources private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each	13	13
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	M/s. Arun mineral resources private limited		
	1,10,000 equity shares (March 31, 2021: 1,10,000) of Rs. 10/- each	13	13
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	M/s. Arun mineral resources private limited		
	1,25,000 equity shares (March 31, 2021: 1,25,000) of Rs. 10/- each	31	31
	Fully paid up	31	31
	Less: Provision made for diminution in the value of shares	(33)	(33)





Retained earnings			
Opening balance		2,36,627	2,02,529
Additions: Profit for the year		29,773	13,242
		2,66,400	2,15,771
Less: Appropriations			
Reserve for bad and doubtful debts		734	(256)
Inter-approprations		234	(256)
Closing balance		2,65,432	2,15,259
Total		2,65,432	2,14,788
Nature and purpose of reserves			
General reserve			
General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.			
Reserve for bad and doubtful debts			
Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debts.			
Retained earnings			
Retained earnings are the profits that the company has earned at date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.			
18	Borrowings	As at March 31, 2022	As at March 31, 2021
	Rupco Term Loan from Banks - Secured		
	Sulyan Coal Mine (Refer Note 5)	45,152	
	Total	45,152	
19	Other Financial Liabilities (Non-current)	As at March 31, 2022	As at March 31, 2021
	Expenses payable against infrastructure development	687	687
	Deposits	11,138	173
	Others	171	11,639
	Total	12,996	12,509
20	Provisions (Non-current)	As at March 31, 2022	As at March 31, 2021
	Provision for others:		
	Provis. of fur decommissioning cost	9,137	1,140
	Total	9,137	1,140
21	Other non-current liabilities	As at March 31, 2022	As at March 31, 2021
	Others		
	Secutory liabilities	254	254
	Total	254	254
22	Borrowings (Current)	As at March 31, 2022	As at March 31, 2021
	Rupco Term Loan from Banks - Secured		
	Sulyan Coal Mine (Refer Note 5)	5,400	
	Total	5,400	



23	Trade payables (Current)	As at March 31, 2022	As at March 31, 2021
	Trade payables: Due to micro enterprises and small enterprises Due to creditors other than micro enterprises and small enterprises Total	  11,174 11,324	  10,302 10,793
Micro and small enterprises under the micro and small enterprises Development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.			
	Particulars	As at March 31, 2022	As at March 31, 2021
	a) Principal amount and interest due thereon		-
	b) interest paid in terms of section 15 of MSMED Act		-
	c) interest due and payable for the period of dates excluding interest specified under MSMED Act		-
	d) interest accrued and remaining unpaid at the end of the year		-
	e) further interest due and payable in terms of section 23 of MSMED Act, 2006		-
Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			
24	Other financial liabilities (Current)	As at March 31, 2022	As at March 31, 2021
	Salaries & other benefits payable Funds in money and security deposits from customers Other payables Total	 218 6,258 31,810 38,298	 239 4,758 7,419 12,519
25	Other current liabilities	As at March 31, 2022	As at March 31, 2021
	Advances from customers Statutory liabilities Loanower interest/suspense Total	 1,192 8,673 126 5,990	 1,010 12,751 318 14,090
26	Current tax liabilities	As at March 31, 2022	As at March 31, 2021
	Provision for income tax Total	 9,450 9,450	 6,467 6,467

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The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to standalone financial statements for the year ended March 31, 2022  
 All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
	Sale of products	92,957	48,973
	Sale of services		
	Agency services including transportation	17,720	1,28,743
	Others	4,926	4,086
	<b>Total</b>	<b>1,15,002</b>	<b>1,81,802</b>
28	Other Income	For the year ended March 31, 2022	For the year ended March 31, 2021
	Interest income		
	Bank deposits	3,829	4,675
	Loans	8	3
	Others	413	659
	Other non operating income		
	Rent receipts	5	7
	Forfeiture of security deposit	-	156
	Sale of tender documents	55	27
	Liabilities no longer required written back	262	2
	Penalties on buyers and others	58	-
	Revenue from sale of survey stones	531	-
	Other miscellaneous income	9	1
	<b>Total</b>	<b>5,158</b>	<b>5,529</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2022	For the year ended March 31, 2021
	a) Opening stock of finished goods	17,164	7,144
		17,164	7,735
	b) Closing stock of finished goods	8,719	17,164
		8,719	17,164
	<b>Changes in Inventories of finished goods</b>	<b>8,445</b>	<b>(9,429)</b>
30	Employee benefit expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
	Salaries and wages	4,570	2,554
	Contribution to provident fund and other funds	507	314
	Gratuity/welfare expenses	383	275
	<b>Total</b>	<b>3,957</b>	<b>3,144</b>
31	Finance costs	For the year ended March 31, 2022	For the year ended March 31, 2021
	Lowering of discount on provision	131	102
	Interest	1,657	27
	<b>Total</b>	<b>1,738</b>	<b>129</b>



32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Depreciation of property, plant and equipment	402	1,542
	Amortization of intangible assets	63	31
	Depreciation on right of use assets	101	101
	<b>Total</b>	<b>566</b>	<b>1,675</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Power and fuel	980	580
	<b>Total</b>	<b>980</b>	<b>580</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Excavation & transport charges for run of mine	5,587	4,287
	Excavation & transport charges for overburden	22,105	74,293
	<b>Total</b>	<b>27,692</b>	<b>78,580</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Rents	29	67
	Repairs & maintenance	765	182
	Insurance	10	12
	Rates and taxes	-	-
	Royalty	8,702	4,716
	DMF	7,601	1,409
	NMFI	173	94
	Cess	463	236
	Other rates and taxes	2,242	384
	<b>Other expenses</b>		
	Operating expenses	36	278
	Expenses for agency services	11,740	1,21,112
	Purchase of survey stones	531	-
	Discount on sales	-	893
	Transport and wagon loading charges	577	247
	Selling expenses	520	235
	New project expenses	50	1,098
	Office & general expenses	1,304	914
	Payment to auditors (refer note no 35.1)	8	8
	Audit fee for other auditors	18	7
	Printing & stationery	144	130
	Corporate social responsibility expenses	787	1,023
	Remuneration to out sourced services	3,789	8,174
	Research & Development Expenses	32	-
	Provision for doubtful advances	-	930
	Data processing charges	107	118
	Rehabilitation expenses	320	129
	Donations	1,270	986
	Miscellaneous expenditure	10	2
	<b>Total</b>	<b>35,831</b>	<b>1,43,609</b>



35.1	Payment to Auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
	Statutory audit fee	8	8
	<b>Total</b>	<b>8</b>	<b>8</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Current tax:		
	Current income tax charge	10,994	4,230
	<b>Total (a)</b>	<b>10,994</b>	<b>4,230</b>
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	191	(422)
	<b>Total (b)</b>	<b>191</b>	<b>(422)</b>
	<b>Total</b>	<b>11,185</b>	<b>5,808</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2022	For the year ended March 31, 2021
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(76)	(11)
	Leave encashment	(64)	(2)
	<b>Total</b>	<b>(140)</b>	<b>(12)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Profit/(loss) before tax as per statement of profit and loss	40,958	19,050
	Applicable tax rate as enacted by the relevant Finance Act	25.168%	25.168%
	Computed tax expense	10,308	4,794
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	191	(422)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	198	257
	b) Change in depreciation	63	203
	c) Provision for doubtful items	-	227
	d) Other items	425	749
	<b>Total income tax expense for the year</b>	<b>11,185</b>	<b>5,808</b>



**37.Contingent liabilities and commitments**

(to the extent not provided for)

All amounts are in lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,808	9,808
ii	Demand raised by income tax authorities which has been disputed and pending before appellate authorities.	4,570	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237, dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>64,930</p> <p>8,530</p>	<p>60,306</p> <p>4,633</p>
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998 99 to 2021-22, the total demand raised, deposits made and reaming un paid amount. (Details given below)	576	576
8	Contingent liability on BG's:  Bank guarantees furnished to different Departments on behalf of the company.	63,000	63,000





C	Capital commitments in respect of unexecuted contracts.	
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2021-2022, the total demand raised, deposits made and remaining unpaid are as follows

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total – A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		<b>-</b>	<b>(311)</b>	<b>-</b>
<b>Share of APMDC</b>		<b>-</b>	<b>469</b>	<b>-</b>
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
<b>Total – B</b>		<b>210</b>	<b>106</b>	<b>104</b>
<b>Grand total</b>		<b>1,457</b>	<b>575</b>	<b>576</b>

\*(There is no change in current year figures with previous year figures)



### 38. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2022

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	110	-	110
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other bank balances	-	-	33,105	-	33,105
Other financial assets	-	-	94,224	-	94,224
<b>Total</b>		<b>72</b>	<b>1,98,565</b>	<b>-</b>	<b>1,98,637</b>
<b>Financial Liabilities:</b>					
Borrowings	-	-	-	50,552	50,552
Trade payables	-	-	-	11,324	11,324
Other financial liabilities	-	-	-	72,269	72,269
<b>Total</b>		<b>-</b>	<b>-</b>	<b>1,34,146</b>	<b>1,34,146</b>

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	110	-	110
Loans	-	67	30,538	-	30,605
Trade receivables	-	-	10,427	-	10,427
Cash and Cash equivalents	-	-	12,330	-	12,330
Other Bank balances	-	-	1,027	-	1,027
Other Financial assets	-	-	88,960	-	88,960
<b>Total</b>		<b>67</b>	<b>1,43,392</b>	<b>-</b>	<b>1,43,459</b>



<b>Financial Liabilities:</b>			
Trade payables	-	10,703	1,0703
Other financial liabilities	-	45,063	45,063
<b>Total</b>	-	<b>55,767</b>	<b>55,767</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined /modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,780	3,780
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,780	3,780
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	26,466	10,427
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	<b>26,466</b>	<b>10,427</b>

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



**i. Commercial risk**

**a. Sale price risk**

Particulars	Impact on profit	
	2021-22	2020-21
Selling price increase by 5%		
Barytes	4,889	2,653
Agency services	861	6,437
Selling price decrease by 5%		
Barytes	(4,889)	(2,653)
Agency services	(861)	(6,437)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(279)	279	(214)	214
Excavation & transport charges for overburden	(1,105)	1105	(1,215)	1,215

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2022**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>



As at 31st March 2021

As at 31st March 2021

Particulars	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,703	10,703	10,703	-
Non-current financial liabilities	32,549	32,549	-	32,549
Current financial liabilities	12,514	12,514	12,514	-
<b>Total</b>	<b>55,767</b>	<b>55,767</b>	<b>23,217</b>	<b>32,549</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2022	As at 31-03-2021
Employers contribution to provident fund	94	89
Employers contribution to pension fund	52	51

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021

Particulars	Gratuity		Leave encashment	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	476	590	453	542
Service cost	21	21	17	19
Interest expenses	30	33	29	31
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(57)	(179)	(63)	(141)
Remeasurements actuarial (gains)/losses	75	11	62	2
<b>Benefit obligations at the end</b>	<b>546</b>	<b>476</b>	<b>498</b>	<b>453</b>





Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	478	614	812	889
Interest income	32	35	53	54
Employer contributions	57	8	1	10
Benefits payments from plan assets	(57)	(179)	(63)	(141)
Actuarial gain / (loss) on plan assets	0	0	(2)	0
<b>Benefit obligations at the end</b>	<b>510</b>	<b>478</b>	<b>801</b>	<b>812</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
PV of obligations at the end of the year	546	476	498	453
Fair value of plan assets at the end of the year	510	478	801	812
Liability (+) / Asset (-) recognised in the balance sheet	36	(2)	(303)	(359)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Service cost	21	21	17	19
Interest expenses	(2)	(2)	(24)	(23)
<b>Net expense recognised</b>	<b>19</b>	<b>19</b>	<b>(7)</b>	<b>(4)</b>



iv. Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Actuarial (gain)/losses on obligations for the period	76	11	62	2
Actuarial (gain)/losses on plan assets for the period	0	0	2	0
<b>Net expense recognised</b>	<b>75</b>	<b>11</b>	<b>64</b>	<b>2</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Rate of discounting	7.30%	6.77%	7.30%	6.77%
Rate of salary increase	6.00%	4.00%	6.00%	4.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	62 Years	60 Years	62 Years	60 Years
Adj. average future service	15.51%	14.07%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Expected cash flow in year 1	30	60	83	105
Expected cash flow in year 2	13	36	67	73
Expected cash flow in year 3	44	72	76	82
Expected cash flow in year 4	91	66	88	65
Expected cash flow in year 5	83	55	70	50
Expected cash flow in year 6	68	40	56	38
Expected cash flow in year 7	53	45	44	35
Expected cash flow in year 8	58	50	41	36
Expected cash flow in year 9	67	16	42	17



Expected cash flow in year 10	23	83	21	30
Expected cash flow in year 11+	532	-	130	-

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Under base scenario	546	476	0.00%	0.00%
Salary escalation - up by 1%	579	509	6.07%	6.90%
Salary escalation - down by 1%	511	447	-6.44%	-6.28%
Withdrawal rates - up by 1%	550	481	0.72%	0.94%
Withdrawal rates - down by 1%	542	471	-0.80%	-1.04%
Discount rates - up by 1%	509	450	-6.88%	-5.47%
Discount rates - down by 1%	589	506	7.79%	6.12%
Mortality rates - up by 10%	546	-	0.04%	-
Mortality rates - down by 10%	546	-	-0.04%	-

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Under base scenario	498	453	0.00%	0.00%
Salary escalation - up by 1%	523	473	5.00%	4.30%
Salary escalation - down by 1%	475	435	-4.70%	-4.10%
Withdrawal rates - up by 1%	499	455	0.20%	0.40%
Withdrawal rates - down by 1%	497	451	-0.20%	-0.40%
Discount rates - up by 1%	478	438	-4.00%	-3.30%
Discount rates - down by 1%	520	470	4.40%	3.60%
Mortality rates - up by 10%	499	-	0.00%	-
Mortality rates - down by 10%	498	-	0.00%	-

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

*L*



#### **x Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-03-2022	As at 31-03-2021
Profit after tax before exceptional items	29,773	13,242
Add: exceptional items	-	-
Profit after tax after exceptional items	29,773	13,242
Profit available for equity shareholders	29,773	13,242
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
<b>Basic and diluted earnings per share (In Rupees) – before exceptional item</b>	<b>47,211.87</b>	<b>20,998.27</b>
<b>Basic and diluted earnings per share (In Rupees) – after exceptional item</b>	<b>47,211.87</b>	<b>20,998.27</b>

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



iv. **Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

v. **Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 73,542 Lakhs is derived from four customers (P.Y 31,702 Lakhs from three customers) and 100% of revenue from sand operations are derived from single customer.

vi. **Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

a. **Segment reporting for the financial year 2021-22**

Particulars	For the year ended 2021-22			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment Revenue includes other income which is directly attributable to each segment

Particulars	For the year ended 2021-22			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment Results</b>				
Profit/(Loss)	42,288	4,658	-	46,946
Unallocated other income			4,931	4,931
Unallocated expenses and finance cost			(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(17,173)</b>	<b>29,773</b>
<b>Other Information</b>				
Segment assets **	1,56,474	20,426	2,45,974	4,22,874
Segment liabilities **	85,819	10,616	62,387	1,58,823
Capital work in progress	24	-	1,120	1,144
Depreciation and amortisation	284	110	171	566





Non-cash expense other than depreciation and amortisation	-	-	5	5
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\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2020-21**

Particulars	For the year ended 2020-21			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	53,059	1,28,743	-	1,81,802
<b>Total segment revenue</b>	<b>53,059</b>	<b>1,28,743</b>	<b>-</b>	<b>1,81,802</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	20,769	707	-	21,476
Unallocated other income	-	-	4,994	4,994
Unallocated expenses and finance cost	-	-	(7,420)	(7,420)
<b>Profit before exceptional items and tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,426)</b>	<b>19,050</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,426)</b>	<b>19,050</b>
Income tax - Current	-	-	6,230	6,230
Deferred tax	-	-	(422)	(422)
<b>Profit after tax</b>	<b>20,769</b>	<b>707</b>	<b>(8,234)</b>	<b>13,242</b>
<b>Other Information</b>				
Segment Assets **	47,279	15,145	2,50,492	3,12,916
Segment Liabilities **	11,901	16,959	49,637	78,497
Capital work in progress	-	23	-	23
Depreciation and amortisation	303	1,166	207	1,675
Non-cash expense other than depreciation and amortisation	-	-	905	905



#### 44. Related party transactions

##### A. List of related parties

Name of the related party	[% of holding]	
	As at 31-03-2022	As at 31-03-2021
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMOC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswan mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

##### Others

Name of the related party	Relation
AP state fibernet limited	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseerna steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited	



**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2022	As at 31-03-2021
Andhra Pradesh granite (Midwest) private limited	62	840
Pallava red granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2022	As at 31-03-2021
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited	-	237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2022	As at 31-03-2021
Orngole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2022	As at 31-03-2021
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex baryte private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352



<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Asra minerals exports private limited	13	13
Margasree granites private limited	13	13
Origole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & minerals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	-

**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles



- ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the Government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the Code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation and internal transportation expense have been based on the certification by the district sand officer/ district sand in charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s. Code tree software solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code tree was discontinued. Despite several requests, Code





tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.

f. Regarding the Door Delivery of Sand

- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
- ii. Considering the voluminous amount of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
- iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.

g. The details of the receipts have not been provided to us by the director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs.169,87,00,208/- is subject to reconciliation for want of records.

h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.

i. Neither vouchers nor supportings were maintained for the bulk payments of door delivery of transportation of sand and Boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.

j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from end customers directly in our bank account without routing it through the director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various modes of payments such as DDs, UPIs and cash directly deposited in our bank account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such



amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with the director of mines and geology.

- k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
  - ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.
  - iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
  - iv. Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
  - v. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
  - vi. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supportings for the above-mentioned prices are not available with the company.
  - vii. There was no written instruction from the Government as to whether the above price is inclusive/ exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.
- l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.
- m. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.



- Finalised the cut-off date for transition of sand operations to new agency
- Cancelled all pending orders and refunded the amount of cancelled bookings.
- Handed over sand reaches
- Transferred balance sand stocks in depots
- Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order

#### 46. Deferred tax asset /(liability)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	6	23
Provision for decommissioning asset	2,299	287
Property, plant and equipment	-	221
Other provisions	2,039	2,108
<b>Total deferred tax asset</b>	<b>4,344</b>	<b>2,639</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Property, plant and equipment	1,897	-
Investments	25	25
<b>Total deferred tax liability</b>	<b>1,922</b>	<b>25</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,423</b>	<b>2,614</b>

#### 47. CSR Expenditure

- Gross amount required to be spent by the company during the year is Rs.797 (Previous Year Rs.857).
- Amount spent during the year

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Construction/ acquisition of any assets	-	-
Purpose other than above	787	1,023

#### 48. Treatment of demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana

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- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants			
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>



Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.86.384/- Lakhs (sweep accounts of Rs.787/- and fixed deposits of Rs 85,597/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs 100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also





confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMOC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
Total		100.00

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.



The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

#### **53. Non valuation of inventory**

##### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is



recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (67.29 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2022 is 1.78 lakh MT (including 220 MTs of Grade – 1) which the company has not valued.

#### **54. Leasehold Lands**

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
<b>Total</b>		<b>2,556.86</b>

#### **55. Term loan from the State Bank of India**

During the year, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh repayable through 102 equal monthly instalments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has drawn an amount of Rs.505.52 crores till 31-03-2022 and has been regular in repayment of interest and principal amounts on due dates.



**56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)**

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 for which Deposit certificates have been obtained from the APSFSCCL. Further, APMDCL has received interest regularly till 31-03-2022 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSCCL.

**57. Note on Survey Stones**

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Such a project was being undertaken after a gap of a century, but using modern technology for fool proof mapping of lands in 17,000 villages across the state in three phases. Accordingly, APMDCL was instructed with the responsibility of procuring & supplying the granite survey stones with the prescribed specifications to the Settlement and Land Records Department. Accordingly, during the year an amount of Rs.5.31 crores has been spent and same has been included in other expenditure. Further, revenue of Rs.5.31 crores (including unbilled revenue of Rs 1.15 crores) has been recognised without any mark up and same has been included in other income.

**58. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.**

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the year 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

**59. Additional information**

Particulars of consumption of stores & spares			(Rs.in. Lakhs)	
Particulars	Figures as at the end of March 31, 2022		Figures as at the end of March 31, 2021	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	365	100.00	182	100.00
<b>Total</b>	<b>365</b>	<b>100.00</b>	<b>182</b>	<b>100.00</b>



#### 60. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, and 10<sup>th</sup> October 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, and 31<sup>st</sup> March 2021, the board of directors of the company in their meeting held on 10<sup>th</sup> October, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2021. In view of this, the reported amounts as on 31<sup>st</sup> March, 2022 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2021 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

#### 61. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS).

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565



A.V. Raghava Rao  
Partner  
Mem No.2005/8

Date: 14-12-2023



for and on behalf of the board of directors



V.G. Venkata Reddy  
VC&MD  
DIN: 08805525



Raman Narayanan  
Director  
DIN: 10267130



A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: November 22, 2023



UDIN: 24200578156 ALYT4262





## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**The Andhra Pradesh Mineral Development Corporation Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

We do not express an opinion on accompanying Consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

#### **Basis for Disclaimer of Opinion**

- i) We draw attention to Note No: - 46 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2022 and further reasons as detailed in Note No. 46, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDCL SQCL Suliyan coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%



12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Mangasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Disclaimer Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation as per AP Reorganization Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment Int. on FDR's, DGs & Sweep [SBI] to Telangana	19	Other Financial liabilities(non-current)	62,14,09,063	Cr
2	APMDC Telangana Region Advance [Cr]	19	Other Financial liabilities(non-current)	1,62,94,83,736	Cr
3	APMDC - TSMDC - Advances	9	Other Non-current Assets	87,58,03,948	Cr
4	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	21,89,97,208	Dr
5	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	1,46,70,13,303	Dr
6	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	7,32,66,76,657	Dr
7	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	19,48,06,760	Dr
8		6	Other Financial Assets (Non-Current)	1,16,45,65,376	Dr



9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,87,37,475	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	24,16,85,756	Dr
11	Int. Acct. on FDR kept for BGs	14	Other Financial Assets (Current)	83,68,316	Dr
12	Int. Acct. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	4,53,98,268	Dr
13	Int. accr. on sweep a/c (SBI)	14	Other Financial Assets (Current)	4,38,16,594	Dr
14	Int. on Fixed Deposits	28	Other Income	26,47,28,818	Cr
15	Int. on FD kept for BG	28	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	28	Other Income	3,62,90,734	Cr
17	Int. on Sweep account SBI Khairatabad	28	Other Income	24,56,795	Cr
18	Vijayawada (bank)	6	Cash and cash equivalents	1,85,20,834	Dr

ii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2022 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances in holding company as on March 31, 2022 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2022 (in Rs.)
Adv. to EE Panch. Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,50,26,13,755
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements

v) In respect of property, plant and equipment of holding company, Fixed Asset Register providing details such as Identification Number, Location of the Assets are not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supportings are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in





the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.

- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- vii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 337.50 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- viii) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.
- x) The Holding company has Trade Receivables balance amounting to Rs. 302.45 Crores and advance from customers amounting to Rs. 11.92 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 302.45 Crores and Advance from Customers amounting to Rs. 11.92 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.



- xi) We were informed that the balance in the following ledgers of holding company are pending final settlement on account of pending court proceedings. -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xii) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial Year 2020-21 and Financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.
- xiv) The Holding company has accounted for interest on credit sales amounting to Rs. 1.69 crores for the financial year 2021-22. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2022 has not been recognised, which is not in line with the accounting policy followed by the Holding company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2022. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.





- xv) Balance in Suspense Account of holding company amounting to Rs. 1,26,47,375 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
- xvi) Sand Inventory records pertaining to Sand Operations of holding company were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software, it is to report that:
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
  - b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Holding Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
  - c) As per the financial statements for Financial Year 2021-22, no reconciliation has been provided with respect to Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology up to 31<sup>st</sup> March 2022. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.



- d) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometer (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Holding Company with the Transporters. The transportation charges payable has to be derived based on the Kilometers as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometers certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometers as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- e) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- f) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supporting's are not available for verification, the details of which are as follows:
- 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.



- 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS/GST has not been deducted on any of the payments made to Boatsmen Societies.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- g) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in





India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint ventures for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August, 2023 and 22<sup>nd</sup> September 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021, the Board of Directors of the Holding Company in their meeting held on 22<sup>nd</sup> November 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2022 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2021, and audited by the previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2022 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 and subsequent approval at the Annual General Meetings.



We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 278.69 lakhs for the year ended March 31, 2022 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters.

Note No.45 and Note No 58 of notes to the accounts has to be considered in respect sand and survey stones businesses.

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

1. As required by Section 143 (3) of the Act, we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Holding company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Group.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.





h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements- Refer Note 37 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the group to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, on funds have been received by the group from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.

v. The Group has not declared or paid any dividend during the year




2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Vijayawada  
Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

  
CA. A.V. Raghava Rao  
Partner  
M. No. 200578

UDW: 24p00f78 Bk. Alys-7250

## **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2022)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (d) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding company included in the Group are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the internal control over financial reporting criteria established by the Companies/Entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding company.

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

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



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

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2022

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.



f) In respect of sand operations of the Holding company,

- i. The Holding company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
- ii. Periodic Reconciliation of Bank Balances have not been done.
- iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.
- iv. Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, EMD/PSD register, register of contractors and register of tender schedules sold.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Holding Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding company as at March 31, 2022 and the disclaimer has affected our opinion on the Consolidated financial statements of the Holding company and we have issued a Disclaimer of opinion on the Consolidated financial statements of the Holding company.

Place: Vijayawada  
Date: 14<sup>th</sup> December, 2023



For **Chowdary & Rao**  
**Chartered Accountants**

FRN 000656S

CA A V Raghava Rao  
Partner  
M No. 200578

UDIN: 24200578TSKALYS7250



# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>The Holding Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year, the company raised a term loan for investment in the suliyari coal mine, and the same has been initiated and utilised for the purpose for which it is availed. No amount has been deposited in the PD Account from this term loan.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p>



e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	e) There are no returned/ unpaid bills as on 31-03-2022.
6. Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or Indirectly.
7. Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the physical verification of property, plant and equipment report submitted by NSRK & Associates and as confirmed by the management, no such instances have taken place during the year.
8. Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management of the holding company has physically verified the inventory and stores and spares in FY 2021-22 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9. Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10. Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11. Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.



12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2021-22 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2021-22 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.

Place: Vijayawada  
Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

CA A.V. Raghava Rao  
Partner  
Mem No: 200578

UDIN: 24000578 BK ALYS 7250



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	5,687	6,550
Right-of-use assets	5	42	141
Capital work in progress	3	1,144	23
Other intangible assets	3	8,260	414
Intangible assets under development	5	1,40,107	64,090
<b>Financial assets</b>			
Investments	4	698	471
Loans	5	678	5,491
Other financial assets	6	91,104	85,677
Deferred tax assets (net)	7	2,473	2,614
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	42,079	35,574
<b>Total non-current assets</b>		<b>3,01,070</b>	<b>2,27,786</b>
<b>Current assets</b>			
Inventories	10	9,786	17,293
<b>Financial assets</b>			
Trade receivables	11	26,721	10,427
Cash and cash equivalents	12	13,714	12,340
Other bank balances	12	73,105	1,027
Loans	13	30,065	27,114
Other financial assets	14	3,119	3,338
Other current assets	15	6,860	12,913
<b>Total current assets</b>		<b>1,22,391</b>	<b>85,441</b>
<b>TOTAL ASSETS</b>		<b>4,23,461</b>	<b>3,13,227</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	631	631
Other equity	17	1,61,008	2,34,099
<b>Total equity</b>		<b>2,64,639</b>	<b>2,34,730</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	45,152	
Other financial liabilities	19	33,978	37,549
Provisions	20	5,137	1,140
Other non-current liabilities	21	254	754
<b>Total non-current liabilities</b>		<b>88,521</b>	<b>39,443</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	5,400	
Trade payables	23	11,424	10,703
Other financial liabilities	24	39,291	12,514
Other current liabilities	25	5,990	14,890
Current tax liabilities	26	9,296	6,447
<b>Total current liabilities</b>		<b>70,301</b>	<b>44,554</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,23,461</b>	<b>3,13,227</b>
Notes to financial statements	1-62		

The accompanying notes are an integral part of these standalone financial statements.

As per our report:

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0806565

A.V. Raghava Rao  
Partner  
Mem No. 200578

Date: 14-12-2023

UDIN: 24200578 BKALY57250

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place : Vijayawada  
Date : November 22, 2023



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated statement of profit and loss for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,15,002	1,81,802
Other income	28	5,158	5,529
<b>Total income</b>		<b>1,20,161</b>	<b>1,87,331</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	8,445	(9,429)
Employee benefits expense	30	3,957	3,144
Finance costs	31	1,738	175
Depreciation and amortization expense	32	566	1,675
Power and fuel	33	580	582
Excavation & transport charges	34	27,686	28,582
Other expenses	35	35,831	1,43,628
<b>Total expenses</b>		<b>79,202</b>	<b>1,68,281</b>
<b>Profit before exceptional items and tax</b>		<b>40,958</b>	<b>19,050</b>
Add: Exceptional items (Net)			-
<b>Profit before tax</b>		<b>40,958</b>	<b>19,050</b>
Share of Profit/(loss) of joint venture		279	305
<b>Less: Tax expense/(benefit)</b>			
Current tax	36	10,494	6,230
Deferred tax	36	197	(422)
<b>Total tax expense/(benefit)</b>		<b>11,185</b>	<b>5,808</b>
<b>Profit for the year from continuing operations</b>		<b>30,051</b>	<b>13,547</b>
Profit from discontinuing operations		-	-
Less: Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>30,051</b>	<b>13,547</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(140)	(12)
Items that will not be reclassified to profit or loss of JV		(2)	3
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(142)</b>	<b>(9)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>29,909</b>	<b>13,538</b>
<b>Earnings per equity share (in Rs) -</b>			
(Nominal value of share Rs.1000/-)			
- Basic	42	47,653.81	21,482.48
- Diluted		47,653.81	21,482.48
<b>Notes to financial statements</b>	<b>1-62</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No.200578

Date: 14-12-2023

UDIN: 24200578BKALYS7250

for and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place : Vijayawada  
Date : November 22, 2023

Statement of changes in equity for the year ended March 31, 2022

Balance Sheet as at March 31, 2022

## A. Equity share capital

Particulars	No of Shares	(Rs. in '000's)
		Disposals/ adjustments/ transfer
Balance as at April 1, 2020	63,062	63,062
Changes in equity share capital during 2020-21		
Balance as at April 1, 2021	63,062	63,062
Changes in equity share capital during 2021-22		
Balance as at March 31, 2022	63,062	63,062

## B. Other equity

Particulars	Reserves and surplus						Other comprehensive income	Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2020								
Profit for the year	110	854	17,247	2,02,305	(57)	134	(30)	2,20,561
Other comprehensive income for the year				11,547				11,547
Total comprehensive income for the year								11,547
Transfer to reserve for bad and doubtful debts				13,547		19		13,566
Balance as at March 31, 2021		1756		256		153		19,465
Profit for the year	110	507	17,247	2,16,106	(57)	125	(30)	2,34,099
Other comprehensive income for the year				30,051				30,051
Total comprehensive income for the year								30,051
Transfer to reserve for bad and doubtful debts		930		30,051		1342		31,923
Balance as at March 31, 2022	110	1,531	17,247	2,45,223	(57)	137	(30)	2,64,008

## As per our report

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578

Date: 14-12-2023

UDIN: 24200578BKALYS7250

For and on behalf of the Board of Directors

V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

A. Nageswara Reddy  
General Manager

Raman Narayanan  
Director  
DIN: 13267142

Place: Vijayawada  
Date: November-22, 2023

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated cash flow statement for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	41,237	19,355
Adjustments for:		
- interest expense	1,607	27
- unwinding of discounting on price costs	131	102
- interest income	(4,274)	(7,349)
- Depreciation and amortization expense	566	1,075
- Provision for bad & doubtful advances		900
- liabilities no longer required written back	(262)	(2)
<b>Operating profit before working capital changes</b>	<b>39,053</b>	<b>16,720</b>
Adjustments for:		
- increase/(decrease) in trade payables	620	2,260
- increase/(decrease) in provisions	7,987	(35)
- increase/(decrease) in other financial liabilities	77,134	6,156
- increase/(decrease) in other liabilities	(8,900)	10,047
- Decrease/(increase) in trade receivables	(16,294)	4,469
- Decrease/(increase) in inventories	8,507	(9,435)
- Decrease/(increase) in other assets	269	118,321
- Decrease/(increase) in other financial assets	(5,764)	(3,435)
<b>Cash generated from operations</b>	<b>53,299</b>	<b>7,196</b>
Direct taxes paid - net of refunds	8,145	5,473
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>45,153</b>	<b>1,716</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, C&IP and capital advances	(54,590)	(72,077)
Movements in other bank balance	(17,078)	4,512
Loans repaid / given to parties		5,845
Loans repaid / given to staff	(138)	(61)
Interest received	4,220	5,836
Proceeds from sale of NSC bonds	-	3
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(92,581)</b>	<b>(6,356)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	50,552	-
Interest paid	(1,607)	(27)
Payment of lease liability	(114)	(114)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>48,831</b>	<b>(141)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,403</b>	<b>(4,781)</b>
Cash and cash equivalents at the beginning of the year	12,330	17,110
<b>Cash and cash equivalents at the end of the year</b>	<b>13,733</b>	<b>12,330</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0	3
Balances with scheduled banks		
- With current accounts	13,733	12,327
<b>Total cash and cash equivalents (Note 12)</b>	<b>13,733</b>	<b>12,330</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS - 7

As per our report

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578

Date: 14-12-2023

DDIN: 24200578BKALYS7250

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place: Vijayawada  
Date: November 22, 2023

## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- IV. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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





### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:

- i. represent faithfully the financial position, financial performance and cash flows of the group;
- ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
- iii. are neutral, i.e. free from bias;
- iv. are prudent; and
- v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When part so fan item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.



Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.



Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onward and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.





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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.



Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate



pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The group has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.



**q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

**r. Leases**

The group has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.



A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.





In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other



Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**



Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, right of use asset for the year ended March 31, 2022**

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**Property, Plant And Equipment for the Year Ended 31.03.2022**

Particulars	Cost as at April 1, 2021	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2022	Accumulated Depreciation as at April 1, 2021	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2022	Net block as at March 31, 2022	Net block as at March 31, 2021
Land	2,803	1,633	-	4,436	-	-	-	-	4,436	2,803
Quarters & Pucca Constructions	437	-	-	437	229	21	-	252	185	208
Mining Equipment	704	3	-	712	518	39	-	557	155	191
Furniture & Fixtures	191	9	-	198	120	19	1	138	59	71
Office Equipment	2,595	6	2,358	247	1,283	90	1,119	215	32	1,352
Data Processing Equipment	237	61	42	239	191	23	21	194	65	48
Vehicles	196	27	-	223	123	30	-	154	70	73
Tents & Tools	31	16	-	47	29	1	-	30	17	2
Plant & Machinery	3,110	83	1,325	1,870	1,356	170	307	1,219	652	1,255
Leasehold building	255	-	-	255	227	13	-	241	14	27
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>409</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Less: Depreciation capitalised during the year						8				
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>402</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Previous year - 2020-21	9,810	757	-	10,567	2,890	1,543	-	8,092	8,530	7,329
<b>LEASED ASSETS - RIGHT OF USE</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Right of use asset	333	-	-	333	189	101	-	290	42	144
<b>Total</b>	<b>333</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>189</b>	<b>101</b>	<b>-</b>	<b>290</b>	<b>42</b>	<b>144</b>
Previous year - 2020-21	333	-	-	333	88	101	-	180	144	245
<b>Other Intangible Assets</b>										
<b>Class Of Asset</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Computer Software	34	-	-	34	29	2	-	31	3	4
Mining Property	466	7,879	-	8,345	56	16	-	110	8,257	410
<b>Total</b>	<b>499</b>	<b>7,879</b>	<b>-</b>	<b>8,379</b>	<b>85</b>	<b>18</b>	<b>-</b>	<b>119</b>	<b>8,260</b>	<b>414</b>
Previous year - 2020-21	499	-	-	499	54	31	-	85	414	443
<b>Exploration Intangible assets under development</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
	84,099	16,032	-	1,00,131	-	24	-	-	1,00,131	84,099
Previous year - 2020-21	62,710	21,389	-	84,099	-	-	-	-	84,099	62,710
<b>Capital Work In Progress</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
	21	1,144	23	1,144	-	-	-	-	1,144	21
Previous year - 2020-21	138	-	115	253	-	-	-	-	253	138



A	Long current investments	As at March 31, 2022	As at March 31, 2021
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i) M/s. APMDCL - SLLSL (a) - SLLSL (a) company limited		
	2,100 equity shares (March 31, 2021 - 1,111) of Rs 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii) M/s. N. Aggarwal company limited		
	1,000 equity shares (March 31, 2021 - 1,000) of Rs 100/- each		
	Fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii) M/s. Durgam chauri mining company private limited		
	50,100 equity shares (March 31, 2021 - 50,100) of Rs 10/- each		
	Fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	iv) M/s. Andhra phosphate group limited		
	1,110 equity shares (March 31, 2021 - 1,110) of Rs 100/- each		
	Fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	Investment in Associates		
	v) M/s. Aswara mineral development private limited		
	65,100 equity shares (March 31, 2021 - 65,000) of Rs 100/- each		
	Fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi) M/s. SHVP minerals private limited		
	3,25,000 equity shares (March 31, 2021 - 3,25,000) of Rs 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii) M/s. Aravali minerals exports private limited		
	1,10,000 equity shares (March 31, 2021 - 1,10,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii) M/s. Vra minerals exports private limited		
	1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each		
	Fully paid up	14	14
	Less: Provision made for diminution in the value of shares	(14)	(14)
	ix) M/s. Vra gasco gasco private limited		
	1,10,000 equity shares (March 31, 2021 - 1,10,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x) M/s. Gupta minerals exports private limited		
	3,25,000 equity shares (March 31, 2021 - 3,25,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	xi) M/s. RLP quarries private limited		
	1,15,000 equity shares (March 31, 2021 - 1,15,000) of Rs 10/- each		
	Fully paid up	14	14
	Less: Provision made for diminution in the value of shares	(14)	(14)
	xii) M/s. A.P. Capital sands & minerals private limited		
	1,10,000 equity shares (March 31, 2021 - 1,10,000) of Rs 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii) M/s. Andhra Pradesh metal mining private limited		
	28,600 equity shares (March 31, 2021 - 28,600) of Rs 10/- each		
	Fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)





<b>Investment in Joint Ventures</b>		
i) M/s. E. G. Ganesh Industries private limited 15,00,000 equity shares (March 31, 2021 - 15,00,000) of Rs. 10/- each fully paid up	698	421
ii) M/s. Arjuna A.P. Clark & Associates private limited 21,00,000 equity shares (March 31, 2021 - 15,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 1510	310 3130
iii) M/s. Palasa red granite private limited 11,00,000 equity shares (March 31, 2021 - 11,00,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 1510	210 3130
iv) M/s. Gopala A.P. Industries private limited 1,325 equity shares (March 31, 2021 - 1,325) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 10	0 10
v) M/s. Andhra haryana preparatory private limited 8,52,400 equity shares (March 31, 2021 - 8,52,400) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 184	85 185
vi) M/s. Andhra Pradesh iron ore company limited 6,85,100 equity shares (March 31, 2021 - 6,85,100) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 11	1 11
vii) M/s. Turner cattle private limited 4,50,000 equity shares (March 31, 2021 - 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 451	45 451
viii) M/s. V. Minerals private limited 1,100 equity shares (March 31, 2021 - 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 11	1 11
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	698	421
<b>Aggregate amount of quoted investments - Market value</b>		
Aggregate amount of quoted investments - Bank value		-
Aggregate amount of unquoted investments	110	110
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71
<b>5. Loans (Non-current)</b>		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2021</b>
Deposits with others		
Unsecured, considered good	140	139
Unsecured, considered doubtful	71	95
Provision for doubtful debts	(95)	(95)
Loans to others		
Unsecured, considered good		9,000
Loans to AP state farmers limited - Refer note 50		
Loans and advances to employees		
Unsecured, considered good	438	387
Unsecured, considered doubtful	5	9
Less: Allowance for bad and doubtful debts	(9)	(9)
<b>Total</b>	<b>679</b>	<b>9,491</b>



4	Other financial assets (non-current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, considered good - letter not in 49		
	Balance in current accounts (prepaid)	185	141
	Long term bank deposits	50,132	84,663
	Swap accounts	781	179
	Unsecured, considered doubtful		
	Balance in post office savings account	60	40
	Less: Provision for doubtful portfolio	(40)	(40)
	<b>Total</b>	<b>51,004</b>	<b>85,023</b>
5	Deferred tax asset (Net)	As at March 31, 2022	As at March 31, 2021
	Deferred tax asset		
	Property, plant & equipment	-	121
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	6	14
	Provision for decommissioning costs	2,219	281
	Provision for development costs	2	7
	Provision for bad & doubtful debts, investments & advances	2,037	1,101
	<b>Total deferred tax asset</b>	<b>4,264</b>	<b>2,523</b>
	Deferred tax liability		
	Property, Plant & Equipment	(1,892)	-
	Investment	(75)	(12)
	<b>Total deferred tax liability</b>	<b>(1,967)</b>	<b>(12)</b>
	<b>Net deferred tax asset</b>	<b>2,297</b>	<b>2,511</b>
6	Non-current tax assets	As at March 31, 2022	As at March 31, 2021
	Income Tax		
	Corporate tax receivable	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>
7	Other non-current assets	As at March 31, 2022	As at March 31, 2021
	A) Capital advances		
	Unsecured, considered good	4,094	2,304
	Unsecured, considered doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>4,094</b>	<b>2,304</b>
	B) Advances other than capital advances		
	Unsecured, considered good	11,041	19,517
	Unsecured, considered doubtful	1,739	1,789
	Less: Provision for doubtful advances	(1,789)	(1,789)
		<b>11,041</b>	<b>19,517</b>
	C) Others specified		
	Unsecured, considered good	16,992	13,601
	Unsecured, considered doubtful	1,388	1,983
	Less: Provision for doubtful advances	(1,388)	(1,983)
	Known expenses	1	2
		<b>16,992</b>	<b>13,603</b>
	<b>Total</b>	<b>22,127</b>	<b>35,574</b>
10	Inventories	As at March 31, 2022	As at March 31, 2021
	Finished goods	8,715	17,364
	Less: Provision for obsolete stock	(6)	(10)
	SCBs and spares	15	14
	<b>Total</b>	<b>8,724</b>	<b>17,368</b>



11	Trade receivables (Current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, considered good	34,671	10,427
	Unsecured, considered credit impaired	1,524	5,760
	Less: Impairment allowance for doubtful debts	1,519	19,190
	Unbilled Receivables	120	
	<b>Total</b>	<b>34,796</b>	<b>30,427</b>
12	Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
	Cash and cash equivalents		
	Balances with banks	14,744	12,177
	Current assets	0	0
	Cash on hand	13,734	12,310
	Other bank balances		
	Fixed deposits with a tenure > 36 months but < 12 months	32,165	1,017
	Total	33,305	1,027
	<b>Total</b>	<b>46,839</b>	<b>13,357</b>
13	Loans (current)	As at March 31, 2022	As at March 31, 2021
	Loans to others		
	Unsecured, considered good		
	Company state of Kerala Limited & Mochibinam ullopp		
	Development Authority, Kottayam 10 & 11	30,000	27,000
	Loans and advances to employees		
	Unsecured, considered good	0	114
	<b>Total</b>	<b>30,000</b>	<b>27,114</b>
14	Other financial assets (Current)	As at March 31, 2022	As at March 31, 2021
	Advances receivable in cash		
	Unsecured, considered good		
	Interest accrued on deposits		
	Unsecured, considered good	3,120	3,428
	Unsecured, considered doubtful	764	204
	Less: Provision for the doubtful portion	(248)	(204)
	<b>Total</b>	<b>3,636</b>	<b>3,428</b>
15	Other current assets	As at March 31, 2022	As at March 31, 2021
	A) Advances recoverable		
	Unsecured, considered good	104	167
	B) Others - specified	105	160
	Unsecured, considered good		
	Balance with statutory authorities	5,376	12,450
	Special provisions	115	522
	Others	793	583
	<b>Total</b>	<b>6,493</b>	<b>13,353</b>
	<b>Total</b>	<b>8,966</b>	<b>17,911</b>



14	Equity share capital	As at March 31, 2022	As at March 31, 2021
Authorized share capital:			
3,00,000 equity shares of Rs 1000/- each		1,000	1,000
[March 31, 2019 - 3,00,000 equity shares of Rs 1000/- each]		1,000	1,000
Issued, subscribed and fully paid up share Capital:			
63,062 equity shares of Rs 1000/- each fully paid up		632	631
[March 31, 2019 - 63,062 equity shares of Rs 1000/- each]		631	631
16.3 Additional notes			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
Particulars		As at March 31, 2022	As at March 31, 2021
Shares outstanding at the beginning of the year		63,062	63,062
Shares issued during the year		-	-
Shares outstanding at the end of the year		63,062	63,062
16.2 Rights, preferences and restrictions attached to equity shares			
The company has one class of equity shares having a par value of Rs 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferred amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
16.5 The details of shares in the Company held by each shareholder holding more than 5% shares			
Name of the share holder		As at March 31, 2022	As at March 31, 2021
Governor of the Andhra Pradesh, represented by its joint secretary to Government, (Ministry of Industries & Commerce Department),		63,059 (100%)	63,055 (100%)
17			
Other equity		As at March 31, 2022	As at March 31, 2021
Capital reserves			
Free of equity shares for consideration other than cash allotted by			
i. M/s. Anandapuri Development Private Limited			
65,000 equity shares (March 31, 2021 - 65,000) of Rs 10/- each			
fully paid up		7	7
Less: Provision made for diminution in the value of shares		(7)	(7)
ii. M/s. SRP Agritech Private Limited			
3,25,000 equity shares (March 31, 2021 - 3,25,000) of Rs 10/- each			
fully paid up		325	325
Less: Provision made for diminution in the value of shares		(13)	(13)
iii. Anandapuri Development Private Limited			
3,33,000 equity shares (March 31, 2021 - 3,33,000) of Rs 10/- each			
fully paid up		333	333
Less: Provision made for diminution in the value of shares		(13)	(13)
iv. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
v. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
vi. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
vii. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)



<p>ix. RLP garments private limited  1,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>15  (35)</p>	<p>11  (23)</p>
<p>x. M/s A 2 grain feed industry private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>(10)  (10)</p>	<p>100  (100)</p>
<p>xi. M/s Advance AP block galaxy garments private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>(10)  (10)</p>	<p>100  (100)</p>
<p>xii. M/s Palava red garments private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>(10)  (10)</p>	<p>100  (100)</p>
<p>xiii. M/s A 2 coastal sands &amp; minerals private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>1  (1)</p>	<p>1  (1)</p>
<p>xiv. M/s Unique manure mixing company private limited  50,000 equity shares (March 31, 2021: 50,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>5  (5)</p>	<p>0  (0)</p>
<p>xv. M/s Simplex AP Lajpore limited private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>0  (0)</p>	<p>0  (0)</p>
<p>xvi. M/s Andhra banyan corporate private limited  80,000 equity shares (March 31, 2021: 80,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>80  (80)</p>	<p>80  (80)</p>
<p>xvii. M/s Andhra Pradesh water company limited  6,850 equity shares (March 31, 2021: 6,850) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>1  (1)</p>	<p>1  (1)</p>
<p>xviii. M/s Luma cement private limited  4,50,000 equity shares (March 31, 2021: 4,50,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>45  (45)</p>	<p>45  (45)</p>
<p>xix. M/s M V minerals private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>1  (1)</p>	<p>1  (1)</p>
<p>Other Comprehensive Income</p>	<p>110</p>	<p>810</p>
<p>Opening Balance</p>	<p>39</p>	<p>46</p>
<p>Other comprehensive income in the year</p>	<p>(145)</p>	<p>(9)</p>
<p>Assets/(Liabilities) Transferred from/(to) retained earnings</p>	<p>---</p>	<p>---</p>
<p>Closing balance</p>	<p>(106)</p>	<p>39</p>
<p>Reserve for Good and doubtful debts</p>	<p>---</p>	<p>---</p>
<p>Opening balance</p>	<p>597</p>	<p>814</p>
<p>Assets/(Liabilities) Transferred from/(to) profit and loss account</p>	<p>934</p>	<p>(256)</p>
<p>Closing balance</p>	<p>1,531</p>	<p>597</p>
<p>General reserve</p>	<p>---</p>	<p>---</p>
<p>Opening balance</p>	<p>17,236</p>	<p>17,236</p>
<p>Closing balance</p>	<p>17,236</p>	<p>17,236</p>





Retained earnings		
Opening balance	2,16,137	2,02,313
Add/Less: Profit for the year	82,951	11,512
	<u>2,99,088</u>	<u>2,13,825</u>
Less: Appropriations		
Reserve for bad and doubtful debts	938	1255
Total appropriations	<u>938</u>	<u>1255</u>
Closing balance	<u>2,98,150</u>	<u>2,12,570</u>
Total	<u>2,98,008</u>	<u>2,12,098</u>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	Borrowings (Non-Current)	As at March 31, 2022	As at March 31, 2021
	Rupia Term Loan from Banks - Secured		
	Subsidiary Guarantee (Refer Note 5)(i)	45,152	
	<b>Total</b>	<b>45,152</b>	
19	Other financial liabilities (Non-current)	As at March 31, 2022	As at March 31, 2021
	Expenses payable against infrastructure development	687	687
	Direct Li	11,118	174
	Others	175	81,689
	<b>Total</b>	<b>11,980</b>	<b>82,549</b>
20	Provisions (Non-Current)	As at March 31, 2022	As at March 31, 2021
	Provision for others		
	Provision for decommissioning cost	9,127	1,140
	<b>Total</b>	<b>9,127</b>	<b>1,140</b>
21	Other non-current liabilities	As at March 31, 2022	As at March 31, 2021
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
22	Borrowings (Current)	As at March 31, 2022	As at March 31, 2021
	Rupia Term Loan from Banks - Secured		
	Subsidiary Guarantee (Refer Note 5)(ii)	5,400	
	<b>Total</b>	<b>5,400</b>	



23	Trade payables (Current)		As at March 31, 2022	As at March 31, 2021
	Trade payables			
	Due to micro, enterprise and small enterprises			
	Current creditors other than micro enterprises and small enterprises	13,324	10,702	
	Total	13,324	10,702	
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSME D Act) have been determined based on the information available with the company and the required disclosures are given below				
	Particulars	As at March 31, 2022	As at March 31, 2021	
	a) Principal amount and interest due thereon			
	in interest paid in terms of section 36 of MSME D Act	-	-	
	b) Interest due and payable for the period of one year including interest specified under MSME D Act	-	-	
	c) Interest arrears and remaining unpaid at the end of the year	-	-	
Principal interest due and payable in terms of section 36 of MSME D Act, 2006				
Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management				
24	Other financial liabilities (Current)		As at March 31, 2022	As at March 31, 2021
	Salaries & other benefits payable	218	249	
	Unpaid money and security deposits from customers	6,756	4,756	
	Other payables	17,814	15,114	
	Total	58,288	12,319	
25	Other current liabilities		As at March 31, 2022	As at March 31, 2021
	Advances from customers	1,211	1,111	
	Statutory liabilities	9,571	12,753	
	Unknown receipts/suspense	126	116	
	Total	5,908	14,880	
26	Current tax liabilities		As at March 31, 2022	As at March 31, 2021
	Provision for income tax	9,796	6,447	
	Total	9,796	6,447	



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to consolidated financial statements for the year ended March 31, 2022  
 All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
	Sale of products	92,857	48,973
	Sale of services		
	Agency services including transportation	17,220	1,28,743
	Others	9,926	4,085
	Total	1,15,002	1,81,802
28	Other income	For the year ended March 31, 2022	For the year ended March 31, 2021
	Interest income		
	Bank deposits	4,804	4,874
	Loans	4	3
	Others	413	633
	Other non operating income		
	Rent receipts	6	7
	Forfeiture of security deposit	-	156
	Sale of tender documents	65	27
	Liabilities no longer required written back	257	2
	Penalties on buyers and millers	59	
	Revenue from sale of survey stones	531	
	Other miscellaneous income	9	1
	Total	5,158	5,529
29	Changes in inventories of finished goods	For the year ended March 31, 2022	For the year ended March 31, 2021
	a) Opening stock of finished goods	17,164	7,735
		17,164	7,735
	b) Closing stock of finished goods	8,719	17,164
		8,719	17,164
	Changes in inventories of finished goods	8,445	(9,479)
30	Employee benefit expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
	Salaries and wages	3,070	2,554
	Contribution to provident fund and other funds	507	314
	Staff welfare expenses	380	275
	Total	3,957	3,144
31	Finance costs	For the year ended March 31, 2022	For the year ended March 31, 2021
	Unwinding of discount on provision	137	102
	Interest	1,407	77
	Total	1,738	129



32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Depreciation of property, plant and equipment	402	1,543
	Amortization of intangible assets	63	31
	Depreciation on right of use assets	111	101
	<b>Total</b>	<b>566</b>	<b>1,675</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Power and fuel	980	580
	<b>Total</b>	<b>980</b>	<b>580</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Excavation & transport charges for run of mine	5,582	4,287
	Excavation & transport charges for overburden	22,103	14,293
	<b>Total</b>	<b>27,685</b>	<b>18,580</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Rents	29	61
	Repairs & maintenance	305	182
	Insurance	10	12
	<b>Rates and taxes</b>		
	Royalty	8,702	4,716
	DMF	2,601	1,409
	NMET	173	94
	Cess	463	236
	Other rates and taxes	2,242	184
	<b>Other expenses</b>		
	Operating expenses	36	278
	Expenses for agency services	11,749	1,21,112
	Purchase of survey stones	531	-
	Discount on sales	-	989
	Transport and wagon loading charges	577	247
	Selling expenses	520	236
	New project expenses	50	1,598
	Office & general expenses	1,304	814
	Payment to auditors (refer note no 35.1)	8	8
	Audit fee for other auditors	16	7
	Printing & stationery	144	130
	Corporate social responsibility expenses	797	1,023
	Remuneration to out sourced services	3,783	6,174
	Research & Development Expenses	32	-
	Provision for doubtful advances	-	900
	Data processing charges	107	118
	Rehabilitation expenses	320	129
	Donations	1,770	985
	Miscellaneous expenditure	10	2
	<b>Total</b>	<b>35,831</b>	<b>1,43,603</b>



35.1	Payment to Auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
	Statutory audit fee	8	8
	<b>Total</b>	<b>8</b>	<b>8</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Current tax		
	Current income tax charge	10,994	6,230
	<b>Total (a)</b>	<b>10,994</b>	<b>6,230</b>
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	191	(422)
	<b>Total (b)</b>	<b>191</b>	<b>(422)</b>
	<b>Total</b>	<b>11,185</b>	<b>5,808</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2022	For the year ended March 31, 2021
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(76)	(11)
	Leave encashment	(64)	(2)
	<b>Total</b>	<b>(140)</b>	<b>(12)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Profit/(loss) before tax as per statement of profit and loss	40,058	19,050
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed tax expense	10,408	4,794
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	191	(422)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	198	257
	b) Change in depreciation	54	203
	c) Provision for doubtful items	-	227
	d) Other items	425	749
	<b>Total income tax expense for the year</b>	<b>11,185</b>	<b>5,808</b>





**37. Contingent liabilities and commitments**

(to the extent not provided for)

All amounts are in lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,808	9,808
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,570	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt 29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs 100 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01 2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		



	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs 50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	64,939 8,530	60,306 4,633
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2021-22, the total demand raised, deposits made and reaming un paid amount. (Details given below)	576	576
B	Contingent liability on BG's Bank guarantees furnished to different Departments on behalf of the company.	63,000	63,000



C	Capital commitments in respect of unexecuted contracts.	
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2021-2022, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
<b>Total - B</b>		<b>210</b>	<b>106</b>	<b>104</b>
<b>Grand total</b>		<b>1,457</b>	<b>575</b>	<b>576</b>

\*(There is no change in current year figures with previous year figures)



### 38. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2022

As at 31st March, 2022					
Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	698	-	698
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other bank balances	-	-	33,105	-	33,105
Other financial assets	-	-	94,224	-	94,224
<b>Total</b>	-	<b>72</b>	<b>1,99,153</b>	-	<b>1,99,225</b>
<b>Financial liabilities:</b>					
Borrowings	-	-	-	50,552	50,552
Trade payables	-	-	-	11,324	11,324
Other financial liabilities	-	-	-	72,269	72,269
<b>Total</b>	-	-	-	<b>1,34,146</b>	<b>1,34,146</b>

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	421	-	421
Loans	-	67	30,538	-	30,605
Trade receivables	-	-	10,427	-	10,427
Cash and Cash equivalents	-	-	12,330	-	12,330
Other Bank balances	-	-	1,027	-	1,027
Other Financial assets	-	-	88,960	-	88,960
<b>Total</b>	-	<b>67</b>	<b>1,43,703</b>	-	<b>1,43,770</b>



<b>Financial Liabilities:</b>				
Trade payables	-	-	10,703	1,0703
Other financial liabilities	-	-	45,063	45,063
<b>Total</b>	-	-	<b>55,767</b>	<b>55,767</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,780	3,780
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,780	3,780
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	26,466	10,427
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	<b>26,466</b>	<b>10,427</b>

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:





**i. Commercial risk**

**a. Sale price risk**

Particulars	Impact on profit	
	2021-22	2020-21
Selling price increase by 5%		
Barytes	4,889	2,653
Agency services	861	6,437
Selling price decrease by 5%		
Barytes	(4,889)	(2,653)
Agency services	(861)	(6,437)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(279)	279	(214)	214
Excavation & transport charges for overburden	(1,105)	1105	(1,215)	1,215

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2022**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>



As at 31st March 2021

Particulars	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,703	10,703	10,703	-
Non-current financial liabilities	32,549	32,549	-	32,549
Current financial liabilities	12,514	12,514	12,514	-
<b>Total</b>	<b>55,767</b>	<b>55,767</b>	<b>23,217</b>	<b>32,549</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2022	As at 31-03-2021
Employers contribution to provident fund	94	89
Employers contribution to pension fund	52	51

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021

Particulars	Gratuity		Leave encashment	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	476	590	453	542
Service cost	21	21	17	19
Interest expenses	30	33	29	31
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(57)	(179)	(63)	(141)
Remeasurements - actuarial (gains)/losses	75	11	62	2
<b>Benefit obligations at the end</b>	<b>546</b>	<b>476</b>	<b>498</b>	<b>453</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	478	614	812	889
Interest income	32	35	53	54
Employer contributions	57	8	1	10
Benefits payments from plan assets	(57)	(179)	(63)	(141)
Actuarial gain / (loss) on plan assets	0	0	(2)	0
<b>Benefit obligations at the end</b>	<b>510</b>	<b>478</b>	<b>801</b>	<b>812</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
PV of obligations at the end of the year	546	476	498	453
Fair value of plan assets at the end of the year	510	478	801	812
Liability (+) / Asset (-) recognised in the balance sheet	36	(2)	(303)	(359)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Service cost	21	21	17	19
Interest expenses	(2)	(2)	(24)	(23)
<b>Net expense recognised</b>	<b>19</b>	<b>19</b>	<b>(7)</b>	<b>(4)</b>



**iv. Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Actuarial (gain)/losses on obligations for the period	76	11	62	2
Actuarial (gain)/losses on plan assets for the period	(0)	0	2	0
<b>Net expense recognised</b>	<b>75</b>	<b>11</b>	<b>64</b>	<b>2</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Rate of discounting	7.30%	6.77%	7.30%	6.77%
Rate of salary increase	6.00%	4.00%	6.00%	4.00%

**v. Summary of demographic assumptions**

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	62 Years	60 Years	62 Years	60 Years
Adj. average future service	15.51%	14.07%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

**vi. Maturity profile of defined benefit obligations:**

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Expected cash flow in year 1	30	60	83	105
Expected cash flow in year 2	13	36	67	73
Expected cash flow in year 3	44	72	76	82
Expected cash flow in year 4	91	66	88	65
Expected cash flow in year 5	83	55	70	50
Expected cash flow in year 6	68	40	56	38
Expected cash flow in year 7	53	45	44	35
Expected cash flow in year 8	58	50	41	36
Expected cash flow in year 9	67	16	42	17



Expected cash flow in year 10	23	83	21	30
Expected cash flow in year 11+	532	-	130	-

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Under base scenario	546	476	0.00%	0.00%
Salary escalation - up by 1%	579	509	6.07%	6.90%
Salary escalation - down by 1%	511	447	-6.44%	-6.28%
Withdrawal rates - up by 1%	550	481	0.72%	0.94%
Withdrawal rates - down by 1%	542	471	-0.80%	-1.04%
Discount rates - up by 1%	509	450	-6.88%	-5.47%
Discount rates - down by 1%	589	506	7.79%	6.12%
Mortality rates- up by 10%	546	-	0.04%	-
Mortality rates- down by 10%	546	-	-0.04%	-

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Under base scenario	498	453	0.00%	0.00%
Salary escalation - up by 1%	523	473	5.00%	4.30%
Salary escalation - down by 1%	475	435	-4.70%	-4.10%
Withdrawal rates - up by 1%	499	455	0.20%	0.40%
Withdrawal rates - down by 1%	497	451	-0.20%	-0.40%
Discount rates - up by 1%	478	438	-4.00%	-3.30%
Discount rates - down by 1%	520	470	4.40%	3.60%
Mortality rates- up by 10%	499	-	0.00%	-
Mortality rates- down by 10%	498	-	0.00%	-

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.





**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2022	As at 31-03-2021
Profit after tax before exceptional items	30,051	13,547
Add: exceptional items	-	-
Profit after tax after exceptional items	30,051	13,547
Profit available for equity shareholders	30,051	13,547
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
<b>Basic and diluted earnings per share (In Rupees) – before exceptional item</b>	<b>47,653.81</b>	<b>21,482.48</b>
<b>Basic and diluted earnings per share (In Rupees) – after exceptional item</b>	<b>47,653.81</b>	<b>21,482.48</b>

**43. Segment Information**

**i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 73,542 Lakhs is derived from four customers (P Y 31,702 Lakhs from three customers) and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2021-22**

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	42,288	4,658	-	46,946
Unallocated other income	-	-	4,931	4,931
Unallocated expenses and finance cost	-	-	(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
<b>Exceptional items</b>				
Profit on investment in JV	-	-	279	279
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,709)</b>	<b>41,237</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(16,894)</b>	<b>30,051</b>
<b>Other Information</b>				
Segment assets **	1,56,474	20,426	2,46,561	4,23,461
Segment liabilities **	85,819	10,616	62,386	1,58,822
Capital work in progress	24	-	1,120	1,144
Depreciation and amortisation	284	110	171	566



Non-cash expense other than depreciation and amortisation	-	-	5	5
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\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2020-21**

Particulars	For the year ended 2020-21			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	53,059	1,28,743	-	1,81,802
<b>Total segment revenue</b>	<b>53,059</b>	<b>1,28,743</b>	<b>-</b>	<b>1,81,802</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment results</b>				
<b>Profit/(Loss)</b>	20,769	707	-	21,476
Unallocated other income	-	-	4,994	4,994
Unallocated expenses and finance cost	-	-	(7,420)	(7,420)
<b>Profit before exceptional items and tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,426)</b>	<b>19,050</b>
<b>Exceptional items</b>				
Profit on investment in JV	-	-	305	305
<b>Profit before tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,121)</b>	<b>19,355</b>
Income tax - Current	-	-	6,230	6,230
Deferred tax	-	-	(422)	(422)
<b>Profit after tax</b>	<b>20,769</b>	<b>707</b>	<b>(7,929)</b>	<b>13,447</b>
<b>Other Information</b>				
Segment Assets **	47,279	15,145	2,50,803	3,13,227
Segment liabilities **	11,901	16,959	49,637	78,497
Capital work in progress	-	23	-	23
Depreciation and amortisation	303	1,166	207	1,675
Non-cash expense other than depreciation and amortisation	-	-	905	905



**44. Related party transactions****A. List of related parties****(% of holding)**

Name of the related party	As at	
	31-03-2022	31-03-2021
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimexbarite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personnel:**

Name of the related party	Relation
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet limited Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited	Fellow Government company / Authority



**B. Related party transactions****i. Amounts of revenue from the related parties**

<b>Name of the related party</b>	<b>Consideration</b>
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii. Amount due (to)/from related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Andhra Pradesh granite (Midwest) private limited	62	840
Pallavared granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited		237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

<b>Investment in subsidiaries</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Qngole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyan coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
<b>Investment in joint ventures</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352





<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	-

**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.



- ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the Government regarding rates are not available.
  - i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the Code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation and internal transportation expense have been based on the certification by the district sand officer/ district sand in charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s. Code tree software solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code tree was discontinued. Despite several requests, Code



tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.

**f. Regarding the Door Delivery of Sand**

- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
  - ii. Considering the voluminous amount of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
  - iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.
- g.** The details of the receipts have not been provided to us by the director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs.169,87,00,208/- is subject to reconciliation for want of records.
- h.** We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i.** Neither vouchers nor supportings were maintained for the bulk payments of door delivery of transportation of sand and Boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j.** Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from end customers directly in our bank account without routing it through the director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various modes of payments such as DDs, UPIs and cash directly deposited in our bank account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such



amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with the director of mines and geology.

- k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
  - ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.
  - iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
  - iv. Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
  - v. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
  - vi. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supportings for the above-mentioned prices are not available with the company.
  - vii. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.
- l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.
- m. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.



- i. Finalised the cut-off date for transition of sand operations to new agency
- ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
- iii. Handed over sand reaches
- iv. Transferred balance sand stocks in depots
- v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order.

**46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliya coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswanimineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arhamminerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Israminerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasreegranites private limited	Due to continuous defaults the company has been





	strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongoleminerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the Joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimexbarite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavaredgranite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**47. Deferred tax asset /(liability)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	6	23
Provision for decommissioning asset	2,299	287
Property, plant and equipment	-	221
Other provisions	2,039	2,108
<b>Total deferred tax asset</b>	<b>4,344</b>	<b>2,639</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,897	-
Investments	25	25
<b>Total deferred tax liability</b>	<b>1,922</b>	<b>25</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,423</b>	<b>2,614</b>

**48. CSR Expenditure**

- Gross amount required to be spent by the company during the year is Rs.797 (Previous Year Rs.857).
- Amount spent during the year

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Construction/ acquisition of any assets	-	-
Purpose other than above	787	1,023

**49. Treatment of demerger plan in the Books of accounts**

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.



- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>



### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.86,384/- Lakhs (sweep accounts of Rs.787/- and fixed deposits of Rs.85,597/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

### **50. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the



loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority(MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all





transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

### **54. Non valuation of inventory**

#### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (67.29 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2022 is 1.78 lakh MT (including 220 MTs of Grade – 1) which the company has not valued.



## 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
Total		2,556.86

## 56. Term loan from the State Bank of India

During the year, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh repayable through 102 equal monthly installments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has drawn an amount of Rs.505.52 crores till 31-03-2022 and has been regular in repayment of interest and principal amounts on due dates.

## 57. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 for which Deposit certificates have been obtained from the APSFSCCL. Further, APMDCL has received interest regularly till 31-03-2022 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSCCL.

## 58. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Such a project was being undertaken after a gap of a century, but using modern technology for foolproof mapping of lands in 17,000 villages across the state in three phases. Accordingly, APMDCL was instructed with the responsibility of procuring & supplying the granite survey stones with the prescribed specifications to the Settlement and Land Records Department. Accordingly, during the year an amount of Rs.5.31 crores has been spent and same has been included in other expenditure. Further, revenue of Rs.5.31 crores (including unbilled revenue of Rs.1.15 crores) has been recognised without any mark up and same has been included in other income.



#### 59. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the year 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

#### 60. Additional information

##### Particulars of consumption of stores & spares (Rs.in. Lakhs)

Particulars	Figures as at the end of March 31, 2022		Figures as at the end of March 31, 2021	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	365	100.00	182	100.00
<b>Total</b>	<b>365</b>	<b>100.00</b>	<b>182</b>	<b>100.00</b>

#### 61. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, and 10<sup>th</sup> October 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, and 31<sup>st</sup> March 2021, the board of directors of the company in their meeting held on 10<sup>th</sup> October, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2021. In view of this, the reported amounts as on 31<sup>st</sup> March, 2022 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2021 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.



## 62. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to conform to the classification of the current year.
- All amounts have been reported in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS).

**For CHOWDARY & RAO**  
Chartered Accountants  
Firm Regn No.0006565


  
**A.V. Raghava Rao**  
Partner  
Mem No.200578




14/12/2023.

UDIN: 24200578BKALYS7250

*for and on behalf of the board of directors*

  
**V.G. Venkata Reddy**  
VC&MD  
DIN:08805525

  
**Raman Narayanan**  
Director  
DIN 10267130

  
**A. Nageswara Reddy**  
General Manager-F&A

Place: Vijayawada  
Date: November 22, 2023







## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying standalone financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, the profit and comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

1. The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:





S.No	Name of the ledger	Note no	Classification	Rs. in lakhs	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	67.19	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	38,300.24	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	8,253.32	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	2,189.97	Dr
5	Demerger Adj Acc of FD's & FD kept for BG's	9	Other Non-current Assets	16,019.73	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	76,045.23	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	1,229.11	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	11,952.48	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	808.59	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	3,259.67	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	38.71	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	619.31	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	547.73	Dr
14	Int. on Fixed Deposits	26	Other Income	3714.24	Cr
15	Int. on FD kept for BG	26	Other Income	392.18	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	448.05	Cr
17	Int. on Sweep account SBI, Khairatabad	26	Other Income	38.54	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	198.03	Dr

2. The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2023 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.



4. The following Ledger balances as on March 31, 2023 are subject to receipt of utilization certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2023 Rs. in lakhs
Adv.to EE Panc. Raj Dep (RPT)	EE Panchayat Raj, Rajampet	53.90
Deposit with RDO Rajampet [Rehabilitation]	Regional District Officer, Cuddapah	86.65
Deposit with District Collector [Rehabilitation]	District Collector, Cuddapah	18,971.61
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	238.50

Due to non-availability of utilization certificates and confirmation from the respective parties, statutory authorities, we are unable to ascertain whether the above balances have been utilized or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

4. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements.
5. The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court fees payable amounting to Rs. 185.57 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
6. The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs 1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
7. The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act



Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.

8. The company has Trade Receivables balance amounting to Rs. 398.82 Crores and advance from customers amounting to Rs. 296.01 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 398.82 Crores and Advance from Customers amounting to Rs. 296.01 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.
9. We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings: -

Sl.no	Name of the ledger	Amount	Dr/Cr
1	Sri Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C.V	5,47,81,729	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up-to-date status of the court proceedings are not available on record. Further, the balances in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

10. The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial year 2020-21 and financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
11. The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority("MUDA") on 03/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



12. Balance in Suspense Account amounting to Rs. 1.80 crores have been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
13. During the year company has paid an amount of Rs. 22.91 crores against outstanding balances pertaining to sand operations and which was carried over from the previous year financials on which we have issued a disclaimer of opinion.

#### **Disclaimer of opinion for the previous year**

We draw attention to our audit report dated 22<sup>nd</sup> November 2023, wherein we issued a disclaimer of opinion on the financial statements for the year ended 2021-2022. This disclaimer was due to non-maintenance of records pertaining to the sand operations undertaken by the company previously and same have been discontinued in the previous year. Further, there are no transactions in the sand operations except payment of an amount of Rs. 22.91 crores against outstanding payables.

#### **Emphasis of matter Paragraph**

We draw attention to Note 57 of the financial statements, which describes the commencement of the supply of survey stones by the Company to the Survey, Settlement, and Land Records (SSLR) Department, Andhra Pradesh, during the year under review, as per the minutes of the Board of Directors meeting held on 13-05-2021. However, there is no proper Memorandum of Understanding (MoU) in place between APMDCL and the SSLR Department for the supply of survey stones.

To meet the supply requirements, the Company has initiated setting up of four Granite Cutting, Polishing and Engraving Units in Prakasam, Chittoor, Srikakulam and Anantapuram Districts on turnkey Basis in Andhra Pradesh. During the period, the Prakasam District plant has commenced its operations and operated through an O&M. However, there is no progress in respect of other units.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the





other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

#### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Qualified Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matter**

The financial statements of the Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August 2023, 10<sup>th</sup> October 2023 and 22<sup>nd</sup> November 2023, respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> November, 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2023 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended, March 31, 2020, March 31, 2019 and March 31, 2018 respectively and





audited by us for the financial year ended 2021, and march 31,2022. The reported amounts as on March 31, 2023 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 subsequent approval at adjourned Annual General Meetings

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter as described in the Basis for our Qualified opinion paragraph.
  - b. Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Indian Accounting standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on future cashflows of the Company.
  - f. As per Notification GSR 463 (E) dated 5th June 2015 Issued by the Ministry of Corporate Affairs, the provisions of section 164 (2) of the Companies Act, 2013 is not applicable, as the Company is a Government Company.
  - g. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - h. With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure D".
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.



- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 36 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. [a] The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
  
 (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
  
 (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause (a) and (b) above, contain any material mis-statement.
  - v. The Company has not declared any dividend's during the year
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure-C.

Place: Vijayawada  
Date: 20<sup>th</sup> January, 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 000656

*R. A. V. Raghava Rao*  
CA. A.V. Raghava Rao  
Partner  
M No 200578



UDIN: 25200578BMHVUC8938

### Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2023)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2023, we report the following:

**1. In respect of Company's Property, Plant and Equipment and Intangible Assets:**

- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc., property, plant and equipment and intangible assets.
- b) There is no documented policy/ laid down procedures for conducting physical verification of Property, Plant and Equipment. Hence, we are unable to comment on the process of physical verification of Property, Plant and Equipment by the company.
- c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwaraka Tirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- d) According to the information and explanations given to us and on the basis of our explanation of the company, the company has not revalued its property, plant and equipment or intangible assets or both during the year. Therefore, the Clause 3(i)(d) of the order is not applicable to the company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceeding initiated or are pending against the company for holding any benami property under the Benami Transaction Prohibition Act 1988. Therefore, the Clause 3(i)(e) of the Order is not applicable to the Company.

**2. In respect of inventory**

- A. i. The physical verification of inventory has been conducted at reasonable intervals by the Management.
  - ii. The coverage and procedure of physical verification of inventory followed by the management is reasonable, adequate and appropriate in relation to the size of company and the nature of its business.
  - iii. The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material for each class of inventory and the same have been properly dealt with in the books of accounts.
- B. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not availed any working capital loans during the year.



3. According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.
4. As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
5. The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
6. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.
7. a. According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

Sl.no	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	TDS	2019-20	8,32,824
2	Central Goods and Services Tax, Act	TDS	2019-20	1,29,16,730
3	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
4	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	94,19,538
5	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2022-23	23,14,59,105
6	Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 to 2022-23	33,21,310



- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

Sl.no	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Demand	ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act	Demand	ITAT	2012-13	1,10,70,279
3	Income Tax Act	Demand	ITAT	-	27,31,630
4	Income Tax Act	Demand	CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive 2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030
9	VAT/Sales Tax	Consideration from Joint Venture & Other Receipts	Appellate Tribunal (Tirupati)	2020-21	6,64,38,807
10	CST APPELLATE Authority	H-form's	CST Appellate Visakhapatnam	2022-23	3,74,39,288
11	CESTAT	Service tax on Seigniorage	CESTAT Hyderabad	2021-22	1,77,63,051

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

8. According to the information and explanations given to us, and based on examination of the books of accounts of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.





9. In respect of loans availed

- a. According to the information and explanations give to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b. According to the information and explanations give to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or lender.
- c. According to the information and explanations give to us by the management, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, Clause 3(ix) (d) of the Order is not applicable.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the company. We report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) of the order is not applicable.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.

10. Initial public offer or further public offer

- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, 3 (x) (a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Accordingly, Clause 3 (x)(b) of the Order is not applicable.

11. Frauds

- a. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b. There is no Audit Report in Form AD1-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act.
- c. According to the information and explanations given to us, no whistle blower complaint has been received by the company during the year.



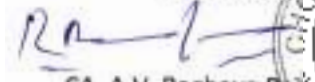
12. The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. Internal Audit system
- a. The Company has an internal audit system, but in our opinion which is inadequate to commensurate with the size and nature of its business.
  - b. The Reports of the Internal Auditors for the period under audit were considered.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.
16. The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of Paragraph 3 of the Order is not applicable.
17. According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. According to the information and explanation given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year. Accordingly, Clause 3 (xviii) of the Order is not applicable and hence not commented upon.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dated of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not Capable of meeting its liabilities existing at the date of balance sheet date. We however, state that this is not an assurance as to the futures viability of the Company. We further neither state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date. Will get discharged by the Company as and when they fall due.
20. a. There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.



- b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to special account in compliance of provision of sub section (6) of section 135 of Companies Act

Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 000578

  
CA. A.V. Raghava Rao  
Partner  
M. No : 200578



UDIN: 25200578BMHVUC8938

## **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2023)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.





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

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

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

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

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

### **Basis for Qualified Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2023

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting

- a. The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023
- b. The Company has an internal audit system, but in our opinion which is inadequate to commensurate with the size and nature of its business.
- c. The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables. The ERP system was unable to generate detailed reports of respective balances, including opening, current year transaction, and closing balances, along with their ageing analysis.





- d. There is no documented policy/ laid down procedures for conducting physical verification of Property, Plant and Equipment
- e. The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter branch transactions.
- f. The company does not have adequate internal control system in place for monitoring the interest earned on the fixed deposits and timely renewal of fixed deposits
- g. It was observed that the calculation of depreciation and amortization for Property, Plant, and Equipment (PPE) and intangible assets is not automated through the Enterprise Resource Planning (ERP) system. Instead, these calculations are performed manually by the finance team.
- h. It was observed that the opening balances of financial data were maintained in one domain division of the Enterprise Resource Planning (ERP) system, while subsequent entries were recorded in a different division. This inconsistency, attributed to inadequate internal controls, poses a risk to the integrity and accuracy of financial records.
- i. During the course of our audit, we observed that the company has deposits with various authorities. However, the company is not maintaining a deposit/advance register that records details such as the parties to whom deposits/advances have been made, the purpose of such deposits/advances, and other relevant information. Additionally, utilization certificates for such deposits/advances have not been obtained. This deficiency in internal controls adversely affects the company's ability to present a true and fair view of its financial position, as required by the applicable financial reporting framework. We recommend the company implement robust processes to maintain detailed records of all deposits and advances, along with obtaining and reviewing utilization certificates to strengthen internal financial controls.

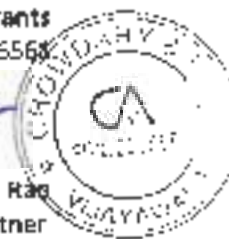
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2023 and these, material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a Qualified opinion on the financial statements

Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 000656X

CA. A. V. Raghava Rao  
Partner  
M. No: 200578



UDIN: 25200578BMHVUC8938

# ANNEXURE-C to the Independent Auditors' Report

## Report on Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but</p>	<p>The Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year company has utilized additional limit from the existing loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2023.</p>





	not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory and stores and spares in FY 2022-23 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.



13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 00069655

  
CA. A.V. Raghava Rao  
Partner

Mem No: 200578

UDIN: 25200578BMHVUC8938



The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone balance sheet as at March 31, 2023  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,173	5,687
Right of-use assets	3	102	42
Capital work in progress	3	914	1,144
Other intangible assets	3	8,082	8,260
Intangible assets under development	3	1,54,777	1,40,102
<b>Financial assets</b>			
Investments	4	110	110
Loans	5	570	678
Other financial assets	6	98,082	91,104
Deferred tax assets (net)	7	-	2,023
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	56,042	42,379
<b>Total non-current assets</b>		<b>3,35,711</b>	<b>3,00,883</b>
<b>Current assets</b>			
Inventories	10	20,794	3,786
<b>Financial assets</b>			
Trade receivables	11	37,477	26,721
Cash and cash equivalents	12	40,426	13,739
Other bank balances	12	63,705	33,105
Loans	13	40,131	30,065
Other financial assets	14	5,043	3,119
Other current assets	15	15,843	6,860
<b>Total current assets</b>		<b>2,13,417</b>	<b>1,22,393</b>
<b>TOTAL ASSETS</b>		<b>5,49,128</b>	<b>4,22,874</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	631	631
Other equity	17	3,22,062	2,63,420
<b>Total equity</b>		<b>3,22,693</b>	<b>2,64,051</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	49,035	45,157
Other financial liabilities	19	36,547	33,978
Provisions	20	10,012	9,137
Deferred tax liability (net)	7	2,155	-
Other non-current liabilities	21	254	754
<b>Total non-current liabilities</b>		<b>98,004</b>	<b>88,522</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	10,800	5,400
Trade payables	23	18,468	11,324
Other financial liabilities	24	37,937	38,291
Other current liabilities	25	45,130	5,890
Current tax liabilities	26	16,097	9,796
<b>Total current liabilities</b>		<b>1,28,433</b>	<b>70,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,49,128</b>	<b>4,22,874</b>

Notes to financial statements

For and on behalf of the Board of Directors

As per our report of even date

For Chowdary R Rao  
 Chartered Accountants  
 Firm Regn No. D006555

A.V. Raghava Rao  
 Partner  
 Mem No 208578

UDIN: 25200578 RM/VUC 8938

Place: Vijayawada  
 Date: January 20, 2025

For and on behalf of the Board of Directors  
 Jai Pravin Kumar  
 Managing Director  
 DIN: 07106418

G. Rama Subbala  
 Director  
 DIN: 10915409

V.V.V. Phani Kumar  
 General Manager - F&A

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone Statement of profit and loss for the year ended March 31, 2023**  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	27	2,10,191	1,15,534
Other income	28	10,814	4,627
<b>Total income</b>		<b>2,21,005</b>	<b>1,20,161</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	(11,990)	8,445
Employee benefits expense	30	4,600	3,956
Finance costs	31	7,733	1,738
Depreciation and amortization expense	32	3,496	566
Power and fuel	33	948	980
Excavation & transport charges	34	76,271	27,686
Other expenses	35	56,203	35,831
<b>Total expenses</b>		<b>1,37,260</b>	<b>79,203</b>
<b>Profit before exceptional items and tax</b>		<b>83,746</b>	<b>40,958</b>
Add : Exceptional Items (Net)			
<b>Profit before tax</b>		<b>83,746</b>	<b>40,958</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	36	20,202	10,994
Deferred tax	36	4,578	191
<b>Total tax expense/ (benefit)</b>		<b>24,780</b>	<b>11,185</b>
<b>Profit for the year from continuing operations</b>		<b>58,966</b>	<b>29,772</b>
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>58,966</b>	<b>29,772</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(324)	(140)
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(324)</b>	<b>(140)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>58,642</b>	<b>29,632</b>
<b>Earnings per equity share (in Rs) -</b> <b>[Nominal value of share Rs.1,000 /-]</b>			
- Basic	42	93,504.62	47,211.87
- Diluted		93,504.62	47,211.87
<b>Notes to financial statements</b>	<b>1-61</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578

UDIN: 25200578BMHVQC8958

Place : Vijayawada  
Date : January 20, 2025

For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
DIN: 07106418

G. Rama Subbaiah  
Director  
DIN: 10915403

V.V.V. Phani Kumar  
General Manager - F&A

The Andhra Pradesh Mineral Development Corporation Limited

Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital

Particulars	No of Shares	Disposals/ adjustments/ transfer
Balance as at April 1, 2021:	63,062	63,062
Changes in equity share capital during 2021-22		
Balance as at April 1, 2022	63,062	63,062
Changes in equity share capital during 2022-23		
Balance as at March 31, 2023	63,062	63,062

B. Other equity

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actual gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2021	110	597	17,050	2,15,996	(57)	121	(30)	2,33,748
Profit for the year	-	-	-	29,772	-	-	-	29,772
Other comprehensive income for the year	-	-	-	-	-	(140)	-	(140)
Total comprehensive income for the year	-	-	-	29,772	-	(140)	-	29,632
Transfer to reserve for bad and doubtful debts	-	934	-	(934)	-	-	-	-
Balance as at March 31, 2022	110	1,531	17,050	2,44,835	(57)	(140)	(30)	2,43,420
Profit for the year	-	-	-	58,966	-	-	-	58,966
Other comprehensive income for the year	-	-	-	-	-	(374)	-	(374)
Total comprehensive income for the year	-	-	-	58,966	-	(374)	-	58,592
Transfer to reserve for bad and doubtful debts	-	794	-	(794)	-	-	-	-
Balance as at March 31, 2023	110	2,325	17,050	3,03,007	(57)	(343)	(30)	3,22,062

(Rs. in Lakhs)

As per our report of even date

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 00006565

A.V. Raghava Rao  
Partner  
Mem No 200578



For and on behalf of the Board of Directors

Sri Praveen Kumar  
Managing Director  
DIN-07106418

G. Rama Subbalah  
Director  
DIN-10715409  
V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada  
Date : January 20, 2023

UDIN: 25200578BMHUC8988

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the year ended March 31, 2023  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	83,746	40,958
Adjustments for:		
Interest expense	7,031	1,607
Unwinding of discounting on provisions	701	131
Interest income	(10,354)	(4,226)
Depreciation and amortization expense	3,496	566
Dividend income	(110)	-
Provision for bad & doubtful advances	3,146	-
Liabilities no longer required written back	(54)	(252)
<b>Operating profit before working capital changes</b>	<b>87,602</b>	<b>38,774</b>
Adjustments for:		
Increase/(decrease) in trade payables	7,144	620
Increase/(decrease) in provisions	(3,241)	7,987
Increase/(decrease) in other financial liabilities	2,343	27,320
Increase/(decrease) in other liabilities	39,140	(8,900)
Decrease/(increase) in trade receivables	(10,756)	(16,294)
Decrease/(increase) in inventories	(12,008)	8,507
Decrease/(increase) in other assets	(22,946)	547
Decrease/(increase) in other financial assets	(8,937)	(5,264)
<b>Cash generated from operations</b>	<b>78,342</b>	<b>53,298</b>
Direct taxes paid (net of refunds)	13,401	8,145
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>64,941</b>	<b>45,153</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWIP and capital advances	(20,310)	(64,590)
Movements in other bank balance	(30,600)	(32,078)
Loans to staff	38	(138)
Interest received	10,354	4,226
Dividend income	110	-
Proceeds from sale of NSC bonds	36	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(40,372)</b>	<b>(92,581)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	9,283	50,552
Interest paid	(7,031)	(1,607)
Payment of lease liability	(129)	(114)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>2,123</b>	<b>48,831</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>26,692</b>	<b>1,404</b>
Cash and cash equivalents at the beginning of the year	13,734	12,330
<b>Cash and cash equivalents at the end of the year</b>	<b>40,426</b>	<b>13,734</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	0
Balances with scheduled banks		
With current accounts	40,425	13,734
<b>Total cash and cash equivalents (Note 12)</b>	<b>40,426</b>	<b>13,734</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind As - 7

As per our report of even date

For and on behalf of the Board of Directors


For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

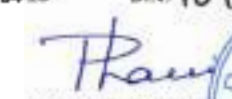
A.V. Anjaney Rao  
 Partner  
 Mem No 200578



UOIN: 85200578BMHVUC8938

  
 Pravin Kumar  
 Managing Director  
 DIN: 07106418

  
 G. Rama Subbaraj  
 Director  
 DIN: 10915409

  
 V.V.V. Phani Kumar  
 General Manager - F&A



Place : Vijayawada  
 Date : January 20, 2025



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh-521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and defined benefit and other long term employee benefits that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed.

Accounting estimates could change from period to period





Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

#### **Judgements**

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

#### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.



### **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established

### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest Income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims [including interest on delayed realization from customers] are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of a item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.





**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 12,00,000 MTs from financial year 2022-23 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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





The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

**Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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



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

#### **Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.



Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The



provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

In the case of coal, mining plan is prepared for entire life of the mine and provision has to be made for shortfall in the quantity of overburden not removed as per the standard stripping ratio. Excess quantity of overburden removed over and above the standard stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and  
The company has right to direct the use of the asset.



At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

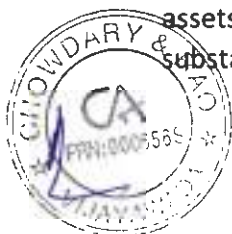
For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale.





A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

##### **iv. De-recognition of financial assets**

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

#### **Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

##### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.





vable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipments, Capital work in progress, Intangible assets, right of use asset for the year ended March 31, 2023**  
 (Rs. in Lakhs)

Note :3

Property, Plant And Equipments For The Year Ended 31.03.2023									
Particulars	Cost as at April 1, 2022	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the Year	Disposals/ Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2022
Land	0.438	1.298	-	5.536	-	-	-	5.536	4.438
Quarries & Pucca Construction	437	-	-	437	252	-	-	270	185
Mining Equipment	712	10	-	722	557	30	-	587	135
Furniture & Fixtures	198	4	-	201	338	16	-	354	59
Office Equipment	247	12	-	259	215	33	-	228	32
Data Processing Equipment	250	39	-	287	194	44	-	238	65
Vehicles	223	103	-	327	154	40	-	194	70
Tools & Tools	47	90	-	138	31	26	-	57	17
Plant & Machinery	1,870	1,607	-	3,477	1,219	287	-	1,506	652
Leasehold Building	200	-	-	255	141	1	-	242	14
<b>Total</b>	<b>8,685</b>	<b>2,962</b>	<b>-</b>	<b>11,648</b>	<b>2,999</b>	<b>477</b>	<b>-</b>	<b>3,476</b>	<b>5,687</b>
<b>Less: Depreciation capitalised during the year</b>									
<b>Total</b>	<b>8,685</b>	<b>2,962</b>	<b>-</b>	<b>11,648</b>	<b>2,999</b>	<b>476</b>	<b>1</b>	<b>3,475</b>	<b>5,687</b>
<b>Previous year - 2021-22</b>	<b>10,567</b>	<b>1,943</b>	<b>3,724</b>	<b>8,486</b>	<b>4,037</b>	<b>409</b>	<b>1,407</b>	<b>3,999</b>	<b>6,530</b>
<b>LEASED ASSETS - RIGHT OF USE</b>									
Right of use asset	311	185	245	274	140	119	238	171	42
<b>Total</b>	<b>333</b>	<b>185</b>	<b>245</b>	<b>274</b>	<b>290</b>	<b>119</b>	<b>238</b>	<b>171</b>	<b>42</b>
<b>Previous year - 2021-22</b>	<b>333</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>189</b>	<b>101</b>	<b>-</b>	<b>290</b>	<b>144</b>
<b>Other Intangible Assets</b>									
Class Of Asset	Cost as at April 1, 2022	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the Year	Disposals/ Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2022
Computer Software	34	0	-	34	31	1	-	32	1
Mining Property	6,345	-	-	8,345	68	175	-	264	8,257
<b>Total</b>	<b>6,379</b>	<b>0</b>	<b>-</b>	<b>8,379</b>	<b>119</b>	<b>177</b>	<b>-</b>	<b>296</b>	<b>8,260</b>
<b>Previous year - 2021-22</b>	<b>499</b>	<b>7,879</b>	<b>-</b>	<b>8,378</b>	<b>85</b>	<b>34</b>	<b>-</b>	<b>119</b>	<b>414</b>
<b>Exploitation intangible assets under development</b>									
<b>Previous year - 2021-22</b>	<b>1,40,131</b>	<b>17,199</b>	<b>-</b>	<b>1,57,330</b>	<b>29</b>	<b>2,774</b>	<b>-</b>	<b>2,753</b>	<b>1,48,102</b>
<b>Previous year - 2021-22</b>	<b>64,099</b>	<b>56,032</b>	<b>-</b>	<b>1,40,131</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>-</b>	<b>24,089</b>
<b>Capital Work In Progress</b>									
<b>Previous year - 2021-22</b>	<b>1,144</b>	<b>1,144</b>	<b>230</b>	<b>914</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>924</b>	<b>1,144</b>
<b>Previous year - 2021-22</b>	<b>1,144</b>	<b>1,144</b>	<b>23</b>	<b>1,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,144</b>	<b>23</b>





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2023	March 31, 2022
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCC, Suliya coal company limited		
	4,100 equity shares (March 31, 2021: 5,300) of Rs 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s. Nuzvid coal company limited		
	3,000 equity shares (March 31, 2021: 3,000) of Rs. 100/- each		
	Fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s. Damselbura Minerals (P) Ltd		
	16,000 equity shares of Rs 10/- each fully paid up	2	2
	Less: Provision made for diminution in the value of shares	(2)	(2)
	iv. M/s. Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2021: 56,100) of Rs 10/- each		
	Fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associate		
	v. M/s. Aswani mineral development private limited		
	65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each		
	Fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi. M/s. SRAP mineral private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii. M/s. Arham mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii. M/s. Isra mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	ix. M/s. Mangasree granites private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s. Ongole mineral exports private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi. M/s. RLP granite private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s. A.P. coastal sands & metals private limited..		
	13,000 equity shares (March 31, 2021: 13,000) of Rs. 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s. Andhra Pradesh tribal mining private limited		
	28,600 equity shares (March 31, 2021: 28,600) of Rs 10/- each		
	Fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



Investment in joint ventures		
vi. M/s. A. P. granites (m.dwest) private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs. 10/- each fully paid up	110	110
vii. M/s. Alliance A. P. black granite private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
viii. M/s. Pallavard granite private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
ix. M/s. Gimpex AP barytes beneficiation private limited 1,320 equity shares (March 31, 2021: 1,320) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
x. M/s. Andhra baryte corporation private limited 8,52,500 equity shares (March 31, 2021: 8,52,500) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xi. M/s. Andhra Pradesh iron ore company limited 5,850 equity shares (March 31, 2021: 5,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s. Inner barite private limited 4,50,000 equity shares (March 31, 2021: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xiii. M/s. V. V. minerals private limited 1,100 equity shares (March 31, 2021: 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xiv. M/s. Andhra phosphate (P) Ltd 1,120 equity shares of Rs. 1,000/- each fully paid up Less: Provision made for diminution in the value of shares	11 (11)	11 (11)
Investments measured at amortised cost		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	110	110
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	110	110
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71
<b>Loans (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2022</b>
Deposits with others		
Unsecured, considered good	286	286
Unsecured, considered doubtful	93	93
Less: Provision for doubtful debts	(93)	(93)
Loans to others		
Unsecured, considered good	-	-
Loans and advances to employees		
Unsecured, considered good	116	135
Unsecured, considered doubtful	9	9
Less: Allowance for bad and doubtful debts	(9)	(9)
<b>Total</b>	<b>374</b>	<b>428</b>



6	Other financial assets (Non-current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good - Refer note: 48		
	Balance in Current Accounts (Fixed)	198	185
	Long term bank deposits	97,075	90,132
	Swap accounts	209	187
	Unsecured, considered doubtful		
	Balance in post office savings account	3	40
	Less: Provision for doubtful portion	(4)	(40)
	<b>Total</b>	<b>98,082</b>	<b>91,104</b>
7	Deferred tax asset (Net)	As at March 31, 2023	As at March 31, 2022
	Deferred tax asset		
	Property, plant & equipment		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis		6
	Provision for deferred running costs	1,412	1,259
	Provision for lease liability / assets	1	2
	Provision for bad & doubtful debts, investments & advances	2,819	2,637
	<b>Total deferred tax asset</b>	<b>5,294</b>	<b>4,346</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,879	1,897
	Investment	25	25
	Intangible Asset under development	5,545	
	<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
	<b>Net deferred tax asset</b>	<b>2,150</b>	<b>(2,423)</b>
8	Non current tax assets	As at March 31, 2023	As at March 31, 2022
	Income Tax		
	Corporate tax receivable	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>
9	Other non-current assets	As at March 31, 2023	As at March 31, 2022
	A) Capital advances		
	Unsecured, considered good	4,046	4,046
	Unsecured, considered doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>4,046</b>	<b>4,046</b>
	B) Advances other than capital advances		
	Unsecured, considered good	23,018	21,041
	Unsecured, considered doubtful	4,935	1,789
	Less: Provision for doubtful advances	(4,935)	(1,789)
		<b>23,018</b>	<b>21,041</b>
	C) Others - specified		
	Unsecured, considered good	28,978	16,941
	Unsecured, considered doubtful	1,988	1,388
	Less: Provision for doubtful advances	(1,988)	(1,388)
	Prepaid expenses		5
		<b>28,978</b>	<b>16,952</b>
	<b>Total</b>	<b>56,042</b>	<b>42,079</b>
10	Inventories	As at March 31, 2023	As at March 31, 2022
	Finished goods	20,708	8,719
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	93	75
	<b>Total</b>	<b>20,794</b>	<b>8,786</b>



11	Trade receivables (Current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good	33,260	36,000
	Unsecured, considered credit impaired	1,524	1,524
	Less: Impairment allowance for doubtful debts	(3,524)	(3,524)
	Unbilled Receivables	4,237	120
	<b>Total</b>	<b>37,477</b>	<b>36,120</b>
12	Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Cash and cash equivalents		
	Balances with banks:		
	in current accounts	40,425	13,794
	Cash on hand	0	0
	(a)	<b>40,425</b>	<b>13,794</b>
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	63,705	33,105
	(b)	<b>63,705</b>	<b>33,105</b>
	<b>Total</b>	<b>1,04,131</b>	<b>46,899</b>
13	Loans (current)	As at March 31, 2023	As at March 31, 2022
	Loans to others		
	Secured, considered good		
	vehicle loans to staff	22	14
	Unsecured, considered good		
	Loan to AP state Government Limited & Machhapuram Urban Development Authority. Refer Note 49 & 50	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	109	0
	<b>Total</b>	<b>30,131</b>	<b>30,069</b>
14	Other financial assets (Current)	As at March 31, 2023	As at March 31, 2022
	Interest accrued on deposits		
	Unsecured, considered good	5,257	3,364
	Less: Provision for the doubtful portion	(244)	(244)
	<b>Total</b>	<b>5,013</b>	<b>3,120</b>
15	Other current assets	As at March 31, 2023	As at March 31, 2022
	A) Advances recoverable		
	Unsecured, considered good	1,664	709
		<b>1,664</b>	<b>709</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	12,608	5,339
	Prepaid expenses	1,340	519
	Others	150	291
	<b>Total</b>	<b>14,178</b>	<b>6,151</b>
	<b>Total</b>	<b>15,843</b>	<b>6,860</b>

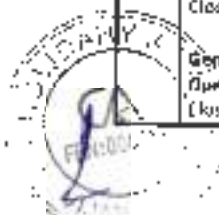


16	Equity share capital	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b> 1,00,000 equity shares of Rs. 1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs. 1000/- each)		1,000	1,000
		1,000	1,000
<b>Issued, subscribed and fully paid up share Capital.</b> 63,062 equity shares of Rs. 1000/- each fully paid up (March 31, 2023 - 63,062 equity shares of Rs. 1000/- each)		631	631
		631	631
<b>16.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2023	As at March 31, 2022
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year		
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs. 1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 3% shares</b>			
	Name of the share holder	As at March 31, 2023	As at March 31, 2022
	Governor of the Andhra Pradesh- represented by assistant secretary to Government (mines) Industries & Commerce department	63,059 (100%)	63,059 (100%)
<b>17</b>			
	Other equity	As at March 31, 2023	As at March 31, 2022
<b>Capital reserves</b>			
Free ride equity shares for consideration other than cash allotted by			
i. M/s. Aswani mineral development private limited			
65,000 equity shares(March 31, 2021: 65,000) of Rs. 10/- each			
fully paid up		7	7
Less: Provision made for diminution in the value of shares		(7)	(7)
ii. M/s. SRA mineral private limited			
3,25,000 equity shares(March 31, 2021: 3,25,000) of Rs. 10/- each			
fully paid up		33	33
Less: Provision made for diminution in the value of shares		(33)	(33)
iii. Arhem mineral exports private limited			
1,30,000 equity shares(March 31, 2021: 1,30,000) of Rs. 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
iv. Isra mineral exports private limited			
1,30,000 equity shares(March 31, 2021: 1,30,000) of Rs. 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
v. Margaree granites private limited			
1,30,000 equity shares(March 31, 2021: 1,30,000) of Rs. 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
vi. Ongole mineral exports private limited			
3,25,000 equity shares(March 31, 2021: 3,25,000) of Rs. 10/- each			
fully paid up		33	33
Less: Provision made for diminution in the value of shares		(33)	(33)





vi. RLP granite private limited 5,15,000 equity shares(March 31, 2021 : 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	59 (33)	33 (33)
vii. M/s A.P granites (Hydwan) private limited 11,00,000 equity shares(March 31, 2021 : 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s. Alliance A.P.black galaxy greens private limited 11,00,000 equity shares(March 31, 2021 : 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
x. M/s Palavared granites private limited 1,10,000 equity shares(March 31, 2021 : 1,10,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xi. M/s A.P coastal sands & metals private limited . 13,000 equity shares(March 31, 2021 : 13,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s. Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2021 : 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	6 (6)	6 (6)
xiii. M/s Gumpes AP barytes beneficiation private limited 1,320 equity shares(March 31, 2021 : 1,320) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2021 : 8,52,500) Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xv. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2021 : 6,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xvi. M/s. Arimex granite private limited 4,50,000 equity shares(March 31, 2021 : 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xvii. M/s. V.V minerals private limited 1,100 equity shares(March 31, 2021 : 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xviii. M/s Damodhara Minerals (P) Ltd 18,931 equity Shares of Rs.10/- each fully Paid up Less: Provision made for diminution in the value of shares	2 (2)	2 (2)
	110	110
Other comprehensive income		
Opening Balance	(106)	35
Other comprehensive income for the year	(324)	(140)
Add/(Less): Transferred from/(to) retained earnings		
Closing balance	(430)	(105)
Reserve for bad and doubtful debts		
Opening balance	1,511	587
Add/(Less): Transferred from to profit and loss account	794	934
Closing balance	2,305	1,521
General reserve		
Opening balance	17,019	17,019
Closing balance	17,019	17,019



<b>Retained earnings</b>			
Opening balance		2,44,866	2,16,077
Add/(less): Profit for the year		58,965	29,772
		<b>3,03,831</b>	<b>2,45,800</b>
Less: Appropriations			
Reserve for bad and doubtful debts		794	934
Note appropriations		794	934
Closing balance		<b>3,03,038</b>	<b>2,44,866</b>
<b>Total</b>		<b>3,22,082</b>	<b>2,63,470</b>
<b>Nature and purpose of reserve(s)</b>			
<b>General reserve</b>			
General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.			
<b>Reserve for bad and doubtful debts</b>			
Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.			
<b>Retained earnings</b>			
Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.			
18	<b>Borrowings</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	Rupia Term Loan from Banks - Secured		
	From State Bank of India (Refer Note: 55)	49,035	45,152
	<b>Total</b>	<b>49,035</b>	<b>45,152</b>
19	<b>Other financial liabilities (Non-current)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	Expenses payable against infrastructure development	3,208	687
	Deposits	35,166	33,118
	Others	173	173
	<b>Total</b>	<b>38,547</b>	<b>33,978</b>
20	<b>Provisions (Non-current)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	Provision for employee benefits		
	Provision for leave benefits	191	-
	Provision for gratuity		
	Provision for others:		
	Provision for decommissioning cost	9,822	9,117
	<b>Total</b>	<b>10,012</b>	<b>9,117</b>
21	<b>Other non-current liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
22	<b>Borrowings (Current)</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
	Rupia Term Loan from Banks - Secured		
	From State Bank of India (Refer Note: 55)	10,800	5,400
	<b>Total</b>	<b>10,800</b>	<b>5,400</b>



23	Trade payables (Current)	As at March 31, 2023	As at March 31, 2022
	Trade payables		
	Dues of micro enterprises and small enterprises	-	-
	Dues of creditors other than micro enterprises and small enterprises	18,468	11,329
	Total	18,468	11,329
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below			
	Particulars	As at March 31, 2023	As at March 31, 2022
	a) Principal amount and interest due thereon	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			
24	Other financial liabilities (Current)	As at March 31, 2023	As at March 31, 2022
	Salaries & other benefits payable	120	219
	Earnest money and security deposits from customers	21,273	5,256
	Other payables	16,546	31,614
	Total	37,939	38,291
25	Other current liabilities	As at March 31, 2023	As at March 31, 2022
	Advance from customers	29,601	1,192
	Statutory liabilities	15,349	4,671
	Provision for gratuity/leave pay	180	126
	Total	45,130	5,990
26	Current tax liabilities	As at March 31, 2023	As at March 31, 2022
	Provision for income tax	16,097	9,296
	Total	16,097	9,296



All amounts are in Rs. Lacs, unless otherwise stated

31	Finance costs	For the year ended March 31, 2023	For the year ended March 31, 2022
	Unwinding of discount on provision	701	131
	Interest	7,031	1,607
	Total	7,733	1,738



32	<b>Depreciation and amortisation expense</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Depreciation of property, plant and equipment	476	402
	Amortization of intangible assets	2,901	63
	Depreciation on right of use assets	119	101
	<b>Total</b>	<b>3,496</b>	<b>566</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Power and fuel	948	980
	<b>Total</b>	<b>948</b>	<b>980</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Excavation & transport charges for run of mine	6,545	5,582
	Excavation & transport charges for overburden	37,658	22,103
	Excavation of coal & OB Removal	32,068	-
	<b>Total</b>	<b>76,271</b>	<b>27,686</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Rents	21	29
	Repairs & maintenance	256	365
	Insurance	9	10
	<b>Rates and taxes</b>		
	Royalty	16,111	8,702
	DMF	3,565	2,601
	NMET	322	173
	Cess	558	463
	Reserve price	6,343	-
	MPGSVA Exp	2,265	-
	Forest tax coal exp	810	-
	Other rates and taxes	587	2,242
	<b>Other expenses</b>		
	Operating expenses	128	16
	Expenses for agency services	-	11,749
	Purchase of survey stones	7,272	531
	Discount on sales	335	-
	Transport and wagon loading charges	591	577
	Selling expenses	687	520
	New project expenses	705	50
	Office & general expenses	2,493	1,304
	Payment to auditors (refer note no 35.1)	10	8
	Audit fee for other auditors	11	16
	Printing & stationery	77	144
	Corporate social responsibility expenses	2,054	787
	Remuneration to out sourced services	5,014	3,783
	Research & Development Expenses	-	32
	Provision for doubtful advances	3,146	-
	Data processing charges	67	107
	Rehabilitation expenses	2,238	320
	Donations	503	1,270
	Miscellaneous expenditure	27	10
	<b>Total</b>	<b>56,203</b>	<b>35,831</b>





35.1	Payment to Auditors	For the year ended March 31, 2023	For the year ended March 31, 2022
	Statutory audit fee	10	8
	<b>Total</b>	<b>10</b>	<b>8</b>

### 36 Income Tax

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax:</b>		
Current income tax charge	20,202	10,994
<b>Total (a)</b>	<b>20,202</b>	<b>10,994</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	4,578	191
<b>Total (b)</b>	<b>4,578</b>	<b>191</b>
<b>Total</b>	<b>24,780</b>	<b>11,185</b>

### Other comprehensive income

Items that will not be reclassified to P&L	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of defined benefit plan loss/gain		
Gratuity	(139)	(76)
Leave encashment	(185)	(64)
<b>Total</b>	<b>(324)</b>	<b>(140)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) before tax as per statement of profit and loss	83,746	40,958
Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
computed tax expense	21,077	10,308
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	4,578	191
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	517	198
b) Change in depreciation	(3,049)	63
c) Provision for doubtful debts	792	-
d) Other items	865	425
<b>Total income tax expense for the year</b>	<b>24,780</b>	<b>11,185</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2023	As at 31.03.2022
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,808	9,808
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	5,04,18	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landad measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs 1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>73,469</p> <p>12,296</p>	<p>64,939</p> <p>8,530</p>
<p>vi</p>	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and remaning un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>576</p>



<b>B</b>	Contingent liability on BG's: Bank guarantees furnished to different Authorities on behalf of the company.	80,274	63,000
<b>C</b>	Capital commitments in respect of unexecuted contracts.	.	.

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2022-2023, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	.	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	.	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total – A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
Less: Share of TSMDC		.	(311)	-
Share of APMDC		.	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2022-23		778	58	720
<b>Total – B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
Financial Assets:					
Investments	-	-	110	-	110
Loans	-	68	30,637	-	30,705
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	40,426	-	40,426
Other bank balances	-	-	63,705	-	63,705
Other financial assets	-	-	1,03,124	-	1,03,124
Total	-	68	2,75,479	-	2,75,547
Financial liabilities:					
Borrowings	-	-	-	59,835	59,835
Trade payables	-	-	-	18,468	18,468
Other financial liabilities	-	-	-	74,484	74,484
Total	-	-	-	1,52,787	1,52,787

As at 31st March, 2022

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
Financial Assets:					
Investments	-	-	110	-	110
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other Bank balances	-	-	33,105	-	33,105
Other Financial assets	-	-	94,224	-	94,224
Total	-	72	1,98,565	-	1,98,637





<b>Financial Liabilities:</b>					
Borrowings	-	-	-	50,552	50,552
Trade payables	-	-	-	11,324	11,324
Other financial liabilities	-	-	-	72,269	72,269
<b>Total</b>	-	-	-	<b>1,34,145</b>	<b>1,34,146</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under:

Particulars	2022-23	2021-22
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,524	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,524	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2022-23	2021-22
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	33,260	26,601
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	33,260	26,601

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



i. Commercial risk

a. Sale price risk

Particulars	Impact on profit	
	2022-23	2021-22
Selling price increase by 5%		
Barytes & Coal	10,100	4,889
Agency services	-	861
Survey Stones	409	-
Selling price decrease by 5%		
Barytes & Coal	(10,100)	(4,889)
Agency services	-	(861)
Survey Stones	(409)	-

b. Excavation & Transport Charges risk

Particulars	Impact on profit			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(327)	327	(279)	279
Excavation & transport charges for overburden	(1,883)	1,883	(1,105)	1,105
Excavation of Coal & OB Removal	(1,603)	1,603	-	-

40. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2023

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>152,787</b>	<b>152,787</b>	<b>67,205</b>	<b>85,582</b>



As at 31st March 2022

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2023	As at 31-03-2022
Employers contribution to provident fund	178	94
Employers contribution to pension fund	62	52

#### 8. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2022

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	546	476	498	453
Service cost	19	21	29	17
Interest expenses	38	30	35	29
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(44)	(57)	(36)	(63)
Remeasurements - actuarial (gains)/losses	134	75	178	62
<b>Benefit obligations at the end</b>	<b>694</b>	<b>546</b>	<b>706</b>	<b>498</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	510	478	801	812
Interest income	36	32	57	53
Employer contributions	5	57	5	1
Benefit payments from plan assets	(44)	(57)	(36)	(63)
Actuarial gain / (loss) on plan assets	0	0	(6)	(2)
<b>Benefit obligations at the end</b>	<b>503</b>	<b>510</b>	<b>822</b>	<b>801</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
PV of obligations at the end of the year	694	546	706	498
Fair value of plan assets at the end of the year	503	510	822	801
Liability (+) / Asset (-) recognised in the balance sheet	191	36	(116)	(303)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Service cost	19	21	29	17
Interest expenses	2	(2)	(22)	(24)
<b>Net expense recognised</b>	<b>21</b>	<b>19</b>	<b>7</b>	<b>(7)</b>



iv. Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Actuarial (gain)/losses on obligations for the period	134	76	178	62
Actuarial (gain)/losses on plan assets for the period	5	0	6	2
<b>Net expense recognised</b>	<b>139</b>	<b>75</b>	<b>184</b>	<b>64</b>

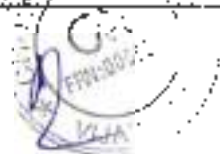
Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Rate of discounting	7.52%	7.30%	7.52%	7.30%
Rate of salary increase	7.00%	6.00%	7.00%	6.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.29%	15.51%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave avallment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Expected cash flow in year 1	1,07	30	191	83
Expected cash flow in year 2	99	13	127	67
Expected cash flow in year 3	62	44	103	76
Expected cash flow in year 4	66	91	83	88
Expected cash flow in year 5	72	83	76	70
Expected cash flow in year 6	83	68	80	56
Expected cash flow in year 7	31	53	40	44
Expected cash flow in year 8	142	58	71	41





Expected cash flow in year 9	62	67	35	42
Expected cash flow in year 10	7	23	17	21
Expected cash flow in year 11+	525	532	142	130

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	694	546	0.00%	0.00%
Salary escalation - up by 1%	713	579	2.75%	6.07%
Salary escalation - down by 1%	672	511	-3.16%	-6.44%
Withdrawal rates - up by 1%	700	550	0.91%	0.72%
Withdrawal rates - down by 1%	687	542	-1.02%	-0.80%
Discount rates - up by 1%	656	509	-5.52%	-6.88%
Discount rates - down by 1%	737	589	6.26%	7.79%
Mortality rates- up by 10%	694	546	0.05%	0.04%
Mortality rates- down by 10%	693	546	-0.05%	-0.04%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	706	498	0.00%	0.00%
Salary escalation - up by 1%	735	523	4.10%	5.00%
Salary escalation - down by 1%	678	475	-3.90%	-4.70%
Withdrawal rates - up by 1%	706	499	0.00%	0.20%
Withdrawal rates - down by 1%	705	497	-0.10%	-0.20%
Discount rates - up by 1%	683	478	-3.20%	-4.00%
Discount rates - down by 1%	730	520	3.50%	4.40%
Mortality rates- up by 10%	706	499	0.00%	0.00%
Mortality rates- down by 10%	706	498	0.00%	0.00%



**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks****a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2023	As at 31-03-2022
Profit after tax before exceptional items	58,966	29,772
Add: exceptional items	-	-
Profit after tax after exceptional items	58,966	29,772
Profit available for equity shareholders	58,966	29,772
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	93,504.62	47,211.87
Basic and diluted earnings per share (In Rupees) – after exceptional item	93,504.62	47,211.87

**43. Segment Information****i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.



**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,40,544 Lakhs is derived from five customers (P.Y 73,542 Lakhs from four customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2022-23**

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,02,002		8,189	2,10,191
<b>Total segment revenue</b>	<b>2,02,002</b>	<b>-</b>	<b>8,189</b>	<b>2,10,191</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	97,984	-	-	97,984
Unallocated other income	-	-	9,926	9,926
Unallocated expenses and finance cost	-	-	(24,164)	(24,164)
<b>Profit before exceptional items and tax</b>	<b>97,984</b>	<b>-</b>	<b>(14,238)</b>	<b>83,746</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>97,984</b>	<b>-</b>	<b>(14,238)</b>	<b>83,746</b>
Income tax - Current			20,202	20,202
Deferred tax	-	-	4,578	4,578
<b>Profit after tax</b>	<b>97,984</b>	<b>-</b>	<b>(39,018)</b>	<b>58,966</b>



Other Information				
Segment assets **	2,17,255	16,166	3,15,707	5,49,128
Segment liabilities **	1,45,060	8,861	72,515	2,26,436
Capital work in progress	332		582	914
Depreciation and amortisation	3,309	886	177	3,496
Non-cash expense other than depreciation and amortisation	-	-	3	3

\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2021-22**

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment revenue includes other income which is directly attributable to each segment

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	42,288	4,658	-	46,946
Unallocated other income	-	-	4,931	4,931
Unallocated expenses and finance cost	-	-	(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(17,173)</b>	<b>29,773</b>
<b>Other Information</b>				
Segment Assets **	1,56,474	20,426	2,45,974	4,22,874
Segment Liabilities **	85,819	10,616	62,387	1,58,823
Capital work in progress	24	-	1,120	1,144



Depreciation and amortisation	284	110	171	566
Non-cash expense other than depreciation and amortisation	-	-	5	5

#### 44. Related party transactions

##### A. List of related parties

Name of the related party	(% of holding)	
	As at 31-03-2023	As at 31-03-2022
<b>Subsidiaries</b>		
Ongole Iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

##### Key Management Personnel:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director





**Others**

Name of the related party	Relation
AP state fiber net limited - APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited - APSFSL	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,498
Pallavared granite private limited	447

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Andhra Pradesh granite (Midwest) private limited	274	62
Pallavared granite private limited	-	433
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2023	As at 31-03-2022
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
Pallavared granite private limited	-	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2023	As at 31-03-2022
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2023	As at 31-03-2022
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Tranex baryte private limited	45	45



Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	357
<b>Investment in associates</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration & Others to key management personal**

Name of the key management personal	As at 31-03-2023	As at 31-03-2022
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	12	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	30,500

**vii. Advance to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.



#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stock yards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stock yard, ramp maintenance, loading of sand into dispatch vehicles at the stock yard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stock yards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.22.91 crores against pending bills.



**46. Deferred tax asset /(liability)**

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	0	6
Provision for decommissioning asset	2,472	2,299
Property, plant and equipment	-	-
Other provisions	2,822	2,039
<b>Total deferred tax asset</b>	<b>5,294</b>	<b>4,344</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,879	1,897
Investments	25	25
Intangible Asset Under Development	5,545	-
<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
<b>Deferred tax asset /(liability) - net</b>	<b>2,155</b>	<b>(2,423)</b>

**47. CSR Expenditure**

- Gross amount required to be spent by the company during the year is Rs 716 (Previous Year Rs.797)
- Amount spent during the year

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Construction/ acquisition of any assets	-	-
Purpose other than above	2,054	787

**48. Treatment of demerger plan in the Books of accounts**

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved



- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC – 58.32%
  - TSMDC – 41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>





#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.89,402/- Lakhs (sweep accounts of Rs.809/- and fixed deposits of Rs. 88,593/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the



loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.In.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFCL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all



transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

## **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

## **53. Non valuation of inventory**

### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 8,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and based on the sales of current financial year, and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MTs and the remaining stock (78.37 lakhs MTs) is considered without value.

### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company.

During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh



agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2023 is 1.63 lakh MT's (including 151 MTs of Grade – 1) which the company has not valued.

#### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
	<b>Total</b>	<b>2,556.86</b>

#### 55. Term loan from the State Bank of India

During the financial year 2020-21, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh and same is repayable through 102 equal monthly instalments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has been regular in repayment of interest and principal amounts on due dates.

#### 56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSC)

Company has received a letter from APSFSC with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSC. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the current financial year totalling to Rs.555.00 crores till 31-03-2023 for which Deposit certificates have been obtained from the APSFSC. APMDCL has received interest regularly till 31-03-2023 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSC.

#### 57. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a Government memo No.INC01 MG/10/2022 M III DATED 02.09.2022 and Go Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS & LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha



Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS & LR department from time to time. Further necessary tax Invoices have been raised on the SS & LR department for the survey stones supplied with mark up of 7% as per the GO.

#### **58. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.**

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the first year of operations 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's as of 31-03-2022. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

During the current year, 1,941,507.45 MT's of coal has been produced (Cumulative 1,964,407.45 MT's) and 1,420,268.44 MT's has been dispatched (Cumulative 1,420,355.79 MT's) leaving a closing stock of 544,051.66 MT's as of 31-03-2023. Further, an additional amount of Rs. 144.54 crores has been incurred on project intangible assets.

#### **59. Additional information**

##### **Particulars of consumption of stores & spares (Rs.in. Lakhs)**

Particulars	Figures as at the end of March 31, 2023		Figures as at the end of March 31, 2022	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	256	100.00	365	100.00
<b>Total</b>	<b>365</b>	<b>100.00</b>	<b>365</b>	<b>100.00</b>

#### **60. Non adoption of previous year financials at the general meeting by the Members**

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023 and 22<sup>nd</sup> November 2023 respectively, due to non completion of supplementary audit by the Comptroller and Audit General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022, the board of directors of the company in their meeting held on 22<sup>nd</sup> November, 2023 approved the





financial statements for the ending 31<sup>st</sup> March, 2022. In view of this, the reported amounts as on 31<sup>st</sup> March, 2023 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

#### 61. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to conform to the classification of the current year.
- All amounts have been reported in Rs. in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0.50 lakhs.


For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565


  
A.V. Raghava Rao  
Partner  
Mem No 200578



for and on behalf of the board of directors

  
Sri Pravin Kumar  
Managing Director  
DIN:07106418

  
G. Rama Subbaiah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager-F&A



Place: Vijayawada  
Date: January 20, 2025

UDIN: 25200578BMHVUC8938



**INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**The Andhra Pradesh Mineral Development Corporation Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Qualified Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (here in after referred to as "Consolidated financial statements").

In our opinion and best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Consolidated financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, the profit and comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- i} We draw attention to Note No 46 of the consolidated financial statements where in the Group has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2023 and further reasons as detailed in Note No 46, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below.



Sl.no	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL Suliari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of Impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Qualified Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:



Sl.no	Name of the ledger	Note no	Classification	Rs in Lakhs	Dr/Cr
1	Demerger Adjustment	19	Other Financial liabilities(non-current)	67.19	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	19	Other Financial liabilities(non-current)	18,300.24	Cr
3	APMDC Telangana Region Advance (Cr)	19	Other Financial liabilities(non current)	8,253.32	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	2,189.97	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	16,019.73	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	76,045.23	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	1,229.11	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	11,952.48	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	808.59	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	3,259.67	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	38.71	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	619.31	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	547.73	Dr
14	Int. on Fixed Deposits	28	Other Income	3714.24	Cr
15	Int. on FD kept for BG	28	Other Income	392.18	Cr
16	Interest on FDR BG - Without Lien	28	Other Income	448.05	Cr
17	Int. on Sweep account SBI Khairatabad	28	Other Income	38.54	Cr
18	Vijayawada (bank)	6	Cash and cash equivalents	198.03	Dr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2023.



- iv) The following Ledger balances in holding company as on March 31, 2023 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2023 Rs. In lakhs
Adv.to EE Panc.Raj Dep(RPT)	EE Panchayat Raj, Rajampet	53.90
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	86.65
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	18,971.61
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	238.50

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

- v) In respect of property, plant and equipment of holding company, Fixed Asset Register providing details such as Identification Number, Location of the Assets are not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the financial statements.
- vi) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 185.57 Crores (Cr Balance). Party wise Ledger has not been maintained further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- vii) The Holding Company has balances in Sales Tax Payables for Rs. 1.22 crores (credit), APVAT Payable of Rs 1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit) The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective





ledgers and the resultant impact on the consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.

- viii) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements
- ix) The Holding company has Trade Receivables balance amounting to Rs. 398.82 Crores and advance from customers amounting to Rs.296.01 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 398.82 Crores and Advance from Customers amounting to Rs. 296.01 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables
- x) We were informed that the balance in the following ledgers of holding company are pending final settlement on account of pending court proceedings: -

Sl.no	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C.S.C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xi) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial Year 2020-21 and Financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and



other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

- xii) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.
- xiii) Balance in Suspense Account of holding company amounting to Rs. 1.80 Crores has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
- xiv) During the year company has paid an amount of Rs.22.91 Crores against outstanding balances pertaining to sand operations and which was carried from the previous year financials on which we have issued a disclaimer of opinion.

#### **Disclaimer of opinion for the previous year**

We draw attention to our audit report dated 22'November 2023.wherein we issued a disclaimer of opinion on the financial statements for the year ended 2021-2022. This disclaimer was due to unavailability of records pertaining to the sand operations undertaken by the company previously and same have been discontinued in the previous year. Further, there are no transactions in the sand operations except payment of an amount of Rs 22.91 Crores against outstanding payables.

#### **Emphasis of matter Paragraph**

We draw attention to Note 58 of the financial statements, which describes the commencement of the supply of survey stones by the Company to the Survey, Settlement, and Land Records (SSLR) Department, Andhra Pradesh, during the year under review, as per the minutes of the meeting held on 13-05-2021. However, there is no proper Memorandum of Understanding (MoU) in place between APMDC and the SSLR Department for the supply of survey stones.

To meet the supply requirements, the Company has initiated setting up of four Granite Cutting, Polishing and Engraving Units in Prakasam, Chittoor, Srikakulam and Anantapuram Districts on turnkey Basis in Andhra Pradesh. During the period, the Prakasam District plant has commenced its operations and operated through an O&M. However, there is no progress in respect of other units

Our opinion is not modified in respect of this matter.



**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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





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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August, 2023 and 10<sup>th</sup> October 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021, the Board of Directors of the Holding Company in their meeting held on 22<sup>nd</sup> November 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2023 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended, March 31, 2020, March 31, 2019 and March 31, 2018 respectively and audited by us for the financial year ended 2021, and March 31, 2022. The reported amounts as on March 31, 2023 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 subsequent approval at adjourned Annual General Meetings.

We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 272 lakhs for the year ended March 31, 2023 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture.



and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

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

1 As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter as described in the basis for our Qualified opinion paragraph.
- b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on future cashflows of the Company.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The Modification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.





j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements- Refer Note 37 to the Consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There are no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the group to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
b. The Management has represented, that, to the best of its knowledge and belief, on funds have been received by the group from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
  
c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.
- v. One of the joint venture company AP Granites (Midwest) pvt ltd has declared dividend during the year. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.



2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Vijayawada

Date: 20<sup>th</sup> January, 2025



For Chowdary & Rao

Chartered Accountants

FRN 000656S

A.V. Raghava Rao

Partner

M.No:200578

UDIN: 25200578 BMH VUD8898

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2023)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together refer to as "the group"), its associates and jointly controlled entities as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the holding company included in the group are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Companies/entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

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

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

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

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





### **Basis for Qualified Opinion**

According to the information and explanations given to us, the holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2023

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting:

- a. The system of internal financial controls over financial reporting with regard to the holding Company were not made available to enable us to determine if the holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023.
- b. The holding Company has an internal audit system, but in our opinion which is inadequate to commensurate with the size and nature of its business.
- c. The holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables. The ERP system was unable to generate detailed reports of respective balances, including opening, current year transaction, and closing balances, along with their ageing analysis.
- d. There is no documented policy/ laid down procedures for conducting physical verification of Property, Plant and Equipment
- e. The holding company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter branch transactions.
- f. The Holding company does not have adequate internal control system in place for monitoring the interest on the fixed deposits and timely renewal of the fixed deposits.
- g. It was observed that the calculation of depreciation and amortization for Property, Plant, and Equipment (PPE) and intangible assets is not automated through the Enterprise Resource Planning (ERP) system. Instead, these calculations are performed manually by the finance team.
- h. It was observed that the opening balances of financial data were maintained in one domain division of the Enterprise Resource Planning (ERP) system, while subsequent entries were recorded in a different division. This inconsistency, attributed to inadequate internal controls, poses a risk to the integrity and accuracy of financial records.





- i. During the course of our audit, we observed that the company has deposits with various authorities. However, the company is not maintaining a deposit/advance register that records details such as the parties to whom deposits/advances have been made, the purpose of such deposits/advances, and other relevant information. Additionally, utilization certificates for such deposits/advances have not been obtained. This deficiency in internal controls adversely affects the company's ability to present a true and fair view of its financial position, as required by the applicable financial reporting framework. We recommend the holding company implement robust processes to maintain detailed records of all deposits and advances, along with obtaining and reviewing utilization certificates to strengthen internal financial controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company as at March 31, 2023 and these, material weakness has affected our opinion on the consolidated financial statements of the Holding Company and we have issued a Qualified opinion on the Consolidated financial statements.

Place: Vijayawada

Date: 20<sup>th</sup> January 2025

For **Chowdary & Rao**  
**Chartered Accountants**  
FRN 0006565  
  
CA. A.V. Raghava Rao  
Partner  
M. No: 200578  
UDIN: 25200578BMHV08988

# ANNEXURE-B to the Independent Auditors' Report

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the Implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodicaly. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, there are no works executed with the funds of



	up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realized on these works, with full quantitative details may be detailed.	Central or State government(s)/ other user department(s) or their agencies.
2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, The Holding Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but</p>	The holding Company has been maintaining Public Deposit Account vide account No: 11000093601



	<p>claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year holding company has utilized additional limit from the existing loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2023.</p>
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, there are no funds which have been raised by the holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/	The Management of the holding company has physically verified the inventory and stores and spares in FY 2022-23 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the






	obsolescence in the quality which may result into overvaluation of stock?	procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, the holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.
13	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.
15	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the holding company has not disbanded and discontinued any mines during the year covered under our audit.





16	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the consolidated financial statements.
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For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

  
CA. A.V. Raghava Rao  
Partner



Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

Mem No: 200578

UDIN: 25200578 BMHVUD8098

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	8,173	5,687
Right of-use assets	3	102	42
Capital work in progress	3	911	1,144
Other intangible assets	3	8,082	8,760
Intangible assets under development	3	1,54,777	1,40,102
Financial assets			
Investments	4	860	698
Loans	5	574	678
Other financial assets	6	98,082	91,104
Deferred tax assets (net)	7	-	2,423
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	56,042	42,049
<b>Total non-current assets</b>		<b>3,36,460</b>	<b>3,01,071</b>
Current assets			
Inventories	10	20,794	8,786
Financial assets			
Trade receivables	11	37,477	26,721
Cash and cash equivalents	12	40,426	13,734
Other bank balances	12	63,705	33,105
Loans	13	30,131	30,065
Other financial assets	14	5,043	3,119
Other current assets	15	15,813	6,860
<b>Total current assets</b>		<b>2,13,417</b>	<b>1,27,390</b>
<b>TOTAL ASSETS</b>		<b>5,49,878</b>	<b>4,28,461</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	16	631	631
Other equity	17	3,22,812	2,64,008
<b>Total equity</b>		<b>3,23,443</b>	<b>2,64,639</b>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	49,035	45,152
Other financial liabilities	19	36,547	33,978
Provisions	20	10,012	9,137
Deferred tax liability (net)	7	2,155	-
Other non-current liabilities	21	254	254
<b>Total non-current liabilities</b>		<b>98,004</b>	<b>88,522</b>
Current liabilities			
Financial liabilities			
Borrowings	22	10,800	5,400
Trade payables	23	18,468	11,324
Other financial liabilities	24	37,937	38,291
Other current liabilities	25	45,130	5,990
Current tax liabilities	26	16,097	9,296
<b>Total current liabilities</b>		<b>1,28,431</b>	<b>70,303</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,49,878</b>	<b>4,28,461</b>

Notes to Financial statements

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The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No. 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200478



UDIN: 25900578 BMHV408898

Sri Pravin Kumar  
Managing Director  
DIN: 07106418

G. Rama Subbaiah  
Director  
DIN: 10915409

V.V.V. Phani Kumar  
General Manager - F&A



Place : Vijayawada

Date : January 20, 2025

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated statement of profit and loss for the year ended March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	27	2,10,191	1,15,534
Other income	28	10,704	4,627
<b>Total income</b>		<b>2,20,895</b>	<b>1,20,161</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	(11,990)	8,445
Employee benefits expense	30	4,600	3,957
Finance costs	31	7,733	1,738
Depreciation and amortization expense	32	3,496	566
Power and fuel	33	948	980
Excavation & transport charges	34	76,771	27,686
Other expenses	35	56,203	35,831
<b>Total expenses</b>		<b>1,37,260</b>	<b>79,203</b>
<b>Profit before exceptional items and tax</b>		<b>83,636</b>	<b>40,958</b>
Add: Exceptional items (Net)			
<b>Profit before tax</b>		<b>83,636</b>	<b>40,958</b>
Share of Profit/(loss) of joint venture		270	279
Less: Tax expense/(benefit)			
Current tax	36	20,202	10,994
Deferred tax	36	4,578	191
<b>Total tax expense/ (benefit)</b>		<b>24,780</b>	<b>11,185</b>
<b>Profit for the year from continuing operations</b>		<b>59,126</b>	<b>30,051</b>
Profit from discontinuing operations		-	-
Less: Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>59,126</b>	<b>30,051</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(324)	(140)
Items that will not be reclassified to profit or loss of JV		2	(2)
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(322)</b>	<b>(142)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>58,804</b>	<b>29,909</b>
<b>Earnings per equity share (In Rs) -</b>			
<b>(Nominal value of share Rs. 1000/-)</b>			
- Basic	42	93,758.22	47,653.81
- Diluted		93,758.22	47,653.81
<b>Notes to financial statements</b>	1-61		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No 200578

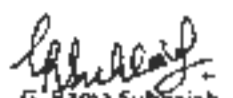


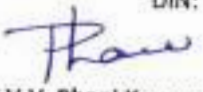
UDIN: 25200578 BMHVUD8898

Place: Vijayawada

Date: January 20, 2025

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaiah  
Director  
DIN: 10915409

  
V.V.M. Phani Kumar  
General Manager - FAA



The Andhra Pradesh Muzesi Development Corporation

Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital

Particulars	No of Shares	Disposals/ adjustments/ transfer
Balance as at April 1, 2021	63,062	63,062
Changes in equity share capital during 2021-22	-	-
Balance as at April 1, 2022	63,062	63,062
Changes in equity share capital during 2022-23	-	-
Balance as at March 31, 2023	63,062	63,062

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income				Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actual gains/losses Reserve	Deferred tax on OCI items	
Balance as at April 01, 2021	110	597	17,247	2,16,106	(57)	125	(30)	2,34,098
Profit for the year	-	-	-	30,051	-	-	-	30,051
Other comprehensive income for the year	-	-	-	-	-	1,421	-	(142)
Total comprehensive income for the year	-	-	-	30,051	-	(142)	-	29,909
Transfer to reserve for bad and doubtful debts	-	934	-	(934)	-	-	-	-
Balance as at March 31, 2022	110	1,531	17,247	2,45,223	(57)	(17)	(30)	2,64,007
Profit for the year	-	-	-	59,126	-	-	-	59,126
Other comprehensive income for the year	-	-	-	-	-	(322)	-	(322)
Total comprehensive income for the year	-	-	-	59,126	-	(322)	-	58,804
Transfer to reserve for bad and doubtful debts	-	794	-	(794)	-	-	-	-
Balance as at March 31, 2023	110	2,325	17,247	3,03,555	(57)	(339)	(30)	3,22,811

(Rs. in Lakhs)

As per our report of even date

For Chartered & Rao  
Chartered Accountants  
Firm Regn No: 0005565

A. V. Raghava Rao  
Partner  
Mem No. 200578

Place : Vijayawada  
Date : January 20, 2025

For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
DIN: 07126418

G. Ram Subbalah  
Director  
DIN: 10915409  
V.V.V. Phani Kumar  
General Manager - F&A

UOSN: 25200578BMHVHD8898



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated cash flow statement for the year ended March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	83,906	41,236
Adjustments for:		
Interest expense	7,031	1,607
Unwinding of discounting on provisions	703	131
Interest income	(10,354)	(4,226)
Depreciation and amortization expense	3,496	565
Dividend income	-	-
Provision for bad & doubtful advances	3,146	-
Liabilities no longer required written back	(54)	(262)
Operating profit before working capital changes	87,871	39,052
Adjustments for:		
Increase/(decrease) in trade payables	7,144	620
Increase/(decrease) in provisions	(3,241)	7,987
Increase/(decrease) in other financial liabilities	2,343	27,420
Increase/(decrease) in other liabilities	39,140	(8,900)
Decrease/(increase) in trade receivables	(10,756)	(16,294)
Decrease/(increase) in inventories	(12,008)	8,507
Decrease/(increase) in other assets	(23,106)	269
Decrease/(increase) in other financial assets	(8,937)	(5,264)
Cash generated from operations	78,452	53,298
Direct taxes paid (net of refunds)	13,401	8,145
Net cash flow from/(used in) operating activities (A)	65,051	45,153
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWIP and capital advances	(20,310)	(64,590)
Movements in other bank balance	(30,600)	(32,078)
Loans to staff	38	(138)
Interest received	10,354	4,226
Dividend income	-	-
Proceeds from sale of NSC bonds	36	-
Net cash flow from/(used in) investing activities (B)	(40,482)	(92,581)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	9,283	50,552
Interest paid	(7,031)	(1,607)
Payment of lease liability	(129)	(114)
Net cash flow from/(used in) financing activities (C)	2,123	48,831
Net increase/(decrease) in cash and cash equivalents (A+B+C)	26,692	1,404
Cash and cash equivalents at the beginning of the year	13,734	12,330
Cash and cash equivalents at the end of the year	40,426	13,734
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	0
Balances with scheduled banks		
With current accounts	40,425	13,734
Total cash and cash equivalents (Note 12)	40,426	13,734

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind As - 7

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006563

A.V. Raghava Rao  
Partner  
Mem No. 200578



UDIN: 25200578BMHVU08898

Sri Pravin Kumar  
Managing Director  
DM: 07106418

G. Rama Subbaiah  
Director  
DM: 10915409

V.V.V. Phani Kumar  
General Manager - F&A



Place : Vijayawada  
Date : January 20, 2025



## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- IV. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or

• It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.





The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.





Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.



Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 12,00,000 MTs from financial year 2022-23 onward and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.



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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.



Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate





pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

In the case of coal, mining plan is prepared for entire life of the mine and provision has to be made for shortfall in the quantity of overburden not removed as per the standard stripping ratio. Excess quantity of overburden removed over and above the standard stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.





### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.



**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair



value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.





**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- ♦ it has been incurred principally for the purpose of repurchasing it in the near term, or
- ♦ on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- ♦ it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is



classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

#### **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

#### **ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.

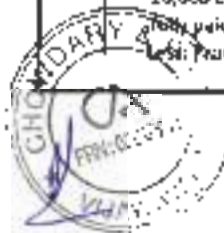




The Andhra Pradesh Mineral Development Corporation Limited										
Property, Plant and Equipment, Capital work in progress, Intangible assets under development, right of use asset for the year ended March 31, 2023										
[Rs. in lakhs]										
Particulars	Cost as at April 1, 2022	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the year	Disposals/Adjustments/Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2023	Net block as at March 31, 2022
Land	4,438	1,098	-	5,536	-	-	-	-	5,536	4,436
Buildings & Pucca Construction	437	-	-	437	252	18	-	270	167	185
Mining Equipment	732	30	-	762	557	30	-	587	175	155
Furniture & Fixtures	198	4	-	201	148	16	-	164	47	59
Office Equipment	247	12	-	259	215	13	-	228	31	32
Data Processing Equipment	259	39	-	297	246	44	-	228	59	65
Vehicles	223	153	-	377	154	40	-	194	133	70
Tires & Hubs	47	30	-	138	31	76	-	57	81	17
Plant & Machinery	1,870	1,607	-	3,477	1,219	287	-	1,506	1,971	652
Leasehold building	255	-	-	255	241	1	-	242	13	14
Total	8,886	2,962	-	11,848	2,998	477	-	3,476	8,173	5,887
Less: Depreciation capitalised during the year	-	-	-	-	-	-	-	-	-	-
Total	8,886	2,962	-	11,848	2,998	476	-	3,476	8,173	5,887
Previous year - 2021-22	10,557	1,843	3,724	8,586	4,037	409	1,447	2,999	5,687	6,590
LEASED ASSETS - RIGHT OF USE										
Right of use asset	333	185	245	274	250	119	238	171	102	42
Total	333	185	245	274	250	119	238	171	102	42
Previous year - 2021-22	333	-	-	333	189	301	-	290	42	144
Other Intangible Assets										
Class Of Asset	Cost as at April 1, 2022	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the year	Disposals/Adjustments/Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2023	Net block as at March 31, 2022
Computer Software	24	0	-	24	51	1	-	32	2	3
Mining Property	8,345	-	-	8,345	68	176	-	264	8,081	8,757
Total	8,372	0	-	8,372	119	277	-	296	8,082	8,760
Previous year - 2021-22	498	7,879	-	8,378	85	34	-	119	8,260	414
Exploration intangible assets under development	1,01,131	17,395	-	1,18,526	29	2,724	-	2,753	1,15,773	1,14,102
Previous year - 2021-22	84,099	56,032	-	1,40,131	-	39	-	-	1,40,102	84,099
Capital Work in Progress	1,144	-	230	914	-	-	-	-	914	1,144
Previous year - 2021-22	23	1,144	23	1,144	-	-	-	-	1,144	23



4	Non-current Investments	As at	As at
		March 31, 2023	March 31, 2022
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCCL sullivan coal company limited		
	5,100 equity shares (March 31, 2022: 5,100) of Rs. 10/- each		
	fully paid up	5	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s. Nuagacn coal company limited		
	3,000 equity shares (March 31, 2021: 3,000) of Rs. 100/- each		
	fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s. Damodhara Minerals (P) Ltd		
	11,921 equity shares of Rs. 10/- each fully paid up	2	2
	Less: Provision made for diminution in the value of shares	(2)	(2)
	iii. M/s. Ongole Iron ore mining company private limited		
	56,100 equity shares (March 31, 2021: 56,100) of Rs. 10/- each		
	fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	v. M/s. Aswani mineral development private limited		
	65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each		
	fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	v. M/s. SRAP mineral private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vi. M/s. Orham mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	vii. M/s. Sia mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	vi. M/s. Margasree granites private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s. Ongole minerals exports private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi. M/s. R.P. granite private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s. A.P. coastal sands & metals private limited		
	13,000 equity shares (March 31, 2021: 13,000) of Rs. 10/- each		
	fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s. Andhra Pradesh (P) balm mining private limited		
	28,600 equity shares (March 31, 2021: 28,600) of Rs. 10/- each		
	fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



Investment in Joint Ventures		
xiv. M/s A. P. granites (midwest) private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs.10/- each fully paid up	860	898
xv. M/s Alliance A.P.black galaxy granites private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xvi. M/s Palavared granites private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xvii. M/s. Simpa A.P. barytes beneficiation private limited 1,320 equity shares (March 31, 2021: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xviii. M/s. Andhra baryte corporation private limited 8,52,500 equity shares (March 31, 2021: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xix. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares (March 31, 2021: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xx. M/s. Trimes baryte private limited 4,50,000 equity shares (March 31, 2021: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xxi. M/s V.V. minerals private limited 1,100 equity shares (March 31, 2021: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xxii. M/s Andhra phosphate (P) Ltd. 1,110 equity shares of Rs.1,000/- each fully paid up Less: Provision made for diminution in the value of shares	11 (11)	11 (11)
Investments measured at amortised cost		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	860	698

Aggregate amount of quoted investments - Market value

-

Aggregate amount of quoted investments - Book value

-

Aggregate amount of unquoted investments

110

Aggregate amount of impairment

576

Aggregate Provision made for doubtful investments

71

5

Loans (Non-current)		As at March 31, 2023	As at March 31, 2022
Deposits with others			
Unsecured, considered good		236	240
Unsecured, considered doubtful		92	93
Less: Provision for doubtful debts		(91)	(91)
Loans and advances to employees			
Unsecured, considered good		138	438
Unsecured, considered doubtful		9	9
Less: Allowance for bad and doubtful debts		(9)	(9)
Total		374	678



6	Other financial assets (non-current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good - Refer note 49		
	Balance in current accounts (Fixed)	198	185
	Long term bank deposits	97,075	90,132
	Sweep accounts	839	787
	Unsecured, considered doubtful		
	Balance in post office savings account	4	80
	Less: Provision for doubtful portion	(4)	(80)
	Total	98,082	91,104
7	Deferred tax asset (Net)	As at March 31, 2023	As at March 31, 2022
	Deferred tax asset		
	Property, plant & equipment		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in payment basis		6
	Provision for decommissioning costs	2,472	2,299
	Provision for lease liability / assets	3	2
	Provision for bad & doubtful debts, investments & advances	2,819	2,037
	Total deferred tax assets	5,294	4,345
	Deferred tax liability		
	Property, Plant & Equipment	1,879	1,897
	Investment	25	25
	Intangible Asset under development	5,545	
	Total deferred tax liability	7,449	1,922
	Net deferred tax asset	2,155	(3,423)
8	Non-current tax assets	As at March 31, 2023	As at March 31, 2022
	Income Tax		
	Corporate tax receivable	8,854	8,854
	Total	8,854	8,854
9	Other non-current assets	As at March 31, 2023	As at March 31, 2022
	A) Capital advances		
	Unsecured, considered good	4,146	4,080
	Unsecured, considered doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		4,046	4,046
	B) Advances other than capital advances		
	Unsecured, considered good	21,038	21,041
	Unsecured, considered doubtful	4,935	1,789
	Less: Provision for doubtful advances	(4,335)	(1,789)
		21,041	21,041
	C) Others - specified		
	Unsecured, considered good	28,978	16,491
	Unsecured, considered doubtful	1,988	1,988
	Less: Provision for doubtful advances	(1,988)	(1,988)
	Prepaid expenses	-	1
	Total	56,042	42,079
10	Inventories	As at March 31, 2023	As at March 31, 2022
	Finished goods	20,708	8,719
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	93	15
	Total	20,794	8,786



11	Trade receivables (Current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good	37,760	25,601
	Unsecured, considered credit impaired	3,524	3,524
	Less: Impairment allowance for doubtful debts	(1,524)	(2,524)
	Unbilled Receivables	4,217	120
	<b>Total</b>	<b>37,877</b>	<b>26,711</b>
12	Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Cash and cash equivalents		
	Balances with banks:		
	in current accounts	40,425	13,734
	Cash on hand	1	0
	<b>(A)</b>	<b>40,426</b>	<b>13,734</b>
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	63,705	33,105
	<b>(B)</b>	<b>63,705</b>	<b>33,105</b>
	<b>Total</b>	<b>1,04,131</b>	<b>46,839</b>
13	Loans (current)	As at March 31, 2023	As at March 31, 2022
	Loans to others		
	Secured, considered good		
	Vehicle loans to staff	22	14
	Unsecured, considered good		
	Loan to AP State Fibrenet Limited & Machilipatnam Urban Development Authority- Refer Note 50 & 51	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	109	51
	<b>Total</b>	<b>30,131</b>	<b>30,065</b>
14	Other financial assets (Current)	As at March 31, 2023	As at March 31, 2022
	Interest accrued on deposits		
	Unsecured, considered good	5,287	3,364
	Less: Provision for the doubtful portion	(744)	(244)
	<b>Total</b>	<b>5,043</b>	<b>3,119</b>
15	Other current assets	As at March 31, 2023	As at March 31, 2022
	A) Advances recoverable		
	Unsecured, considered good	1,664	709
	<b>(B) Others - specified</b>	<b>1,664</b>	<b>709</b>
	Unsecured, considered good		
	Balance with statutory authorities	12,688	5,339
	Prepaid expenses	1,340	510
	Others	150	293
	<b>Total</b>	<b>14,179</b>	<b>6,151</b>
	<b>Total</b>	<b>15,243</b>	<b>6,860</b>





16	Equity share capital	As at March 31, 2023	As at March 31, 2022
Authorized share capital:			
1,00,000 equity shares of Rs.1000/- each		1,000	1,000
(March 31, 2019 -1,00,000 equity shares of Rs.1000/- each)			
		1,000	1,000
Issued, subscribed and fully paid up share Capital			
63,062 equity shares of Rs.1000/- each fully paid up		631	631
(March 31, 2019 - 63,062 equity shares of Rs.1000/- each)			
		631	631

16.1 Additional notes

Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023	As at March 31, 2022
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

16.2 Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

16.3 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the share holder	As at March 31, 2023	As at March 31, 2022
Governor of the Andhra Pradesh represented by Assistant Secretary to Government (Incharge) Industries & Commerce department	61,059 (100%)	61,059 (100%)

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Other equity	As at March 31, 2023	As at March 31, 2022
Capital reserves		
Free trade equity shares for consideration other than cash allotted by		
i. M/s. Aswani mineral development private limited		
45,000 equity shares(March 31, 2021 - 45,000) of Rs.10/- each		
Fully paid up	7	7
Less: Provision made for diminution in the value of shares	(7)	(7)
ii. M/s.SRAP mineral private limited		
3,25,000 equity shares(March 31, 2021 - 3,25,000) of Rs.10/- each		
Fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
iii. Arham mineral exports private limited		
1,30,000 equity shares(March 31, 2021: 1,30,000) of Rs.10/- each		
Fully paid up	13	13
Less: Provision made for diminution in the value of shares	(13)	(13)
iv. Isra mineral exports private limited		
1,30,000 equity shares(March 31, 2021 - 1,30,000) of Rs.10/- each		
Fully paid up	13	13
Less: Provision made for diminution in the value of shares	(13)	(13)
v. Margavee granites private limited		
1,30,000 equity shares(March 31, 2021 - 1,30,000) of Rs.10/- each		
Fully paid up	13	13
Less: Provision made for diminution in the value of shares	(13)	(13)
vi. Ongole mineral exports private limited		
1,25,000 equity shares(March 31, 2021 - 1,25,000) of Rs.10/- each		
Fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)



vi. RLP granite private limited 3,25,000 equity shares(March 31, 2021: 3,25,000) of Rs. 10/- each fully paid up	33 (33)	33 (33)
Less: Provision made for diminution in the value of shares		
vii. M/s.A.P.granites (Midwest) private limited 11,00,000 equity shares(March 31, 2021: 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
ix. M/s.Alliance A.P black galaxy granites private limited 11,00,000 equity shares(March 31, 2021: 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
x. M/s.Pallovared granites private limited 1,10,000 equity shares(March 31, 2021: 1,10,000) of Rs.100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xi. M/s. A.P coastal sands & metals private limited. 13,000 equity shares(March 31, 2021: 13,000) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xii. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2021: 56,100) of Rs.10/- each fully paid up	6	6
Less: Provision made for diminution in the value of shares	(6)	(6)
xiii. M/s Gunpet AP barytes beneficiation private limited 1,320 equity shares(March 31, 2021: 1,320) of Rs.10/- each fully paid up	0	0
Less: Provision made for diminution in the value of shares	(0)	(0)
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2021: 8,52,500) of Rs.10/- each fully paid up	85	85
Less: Provision made for diminution in the value of shares	(85)	(85)
xv. M/s.Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2021: 6,850) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xvi. M/s.Trimax baryte private limited 4,50,000 equity shares(March 31, 2021: 4,50,000) of Rs.10/- each fully paid up	45	45
Less: Provision made for diminution in the value of shares	(45)	(45)
xvii. M/s.V.V. minerals private limited 1,100 equity shares(March 31, 2021: 1,100) of Rs.100/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xviii. M/s. Damodhara Minerals (P) Ltd 18,921 equity shares of Rs.10/- each fully Paid up	2	2
Less: Provision made for diminution in the value of shares	(2)	(2)
	130	130
Other comprehensive income		
Opening Balance	(104)	39
Other comprehensive income for the year	(322)	(142)
Add/(Less): Transferred from/(to) retained earnings		
Closing balance	(426)	(104)
Reserve for bad and doubtful debts		
Opening balance	(53)	597
Add/(Less): Transferred from to profit and loss account	794	934
Closing balance	2,325	1,531
General reserve		
Opening balance	17,216	17,216
Closing balance	17,216	17,216





23	Trade payables (Current)	As at March 31, 2023	As at March 31, 2022
	Trade payables		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	18,468	11,324
	Total	18,468	11,324

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal amount and interest due thereon	-	-
b) Interest paid in terms of section 16 of MSMED Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

24	Other Financial liabilities (Current)	As at March 31, 2023	As at March 31, 2022
	Salaries & other benefits payable	170	718
	Earnest money and security deposits from customers	21,271	6,258
	Other payables	16,546	31,814
	Total	37,987	38,790

25	Other current liabilities	As at March 31, 2023	As at March 31, 2022
	Advance from customers	29,601	1,192
	Statutory liabilities	15,349	4,671
	Unclaimed receipts/suspense	180	176
	Total	45,130	5,990

26	Current tax liabilities	As at March 31, 2023	As at March 31, 2022
	Provision for income tax	16,097	9,296
	Total	16,097	9,296



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**  
All amounts are in Rs Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2023	For the year ended March 31, 2022
	Sale of products	1,98,308	92,857
	Sale of services		
	Agency services including transportation		17,220
	Revenue from sale of survey stories	8,189	531
	Others	3,694	4,976
	<b>Total</b>	<b>2,10,191</b>	<b>1,15,534</b>

28	Other Income	For the year ended March 31, 2023	For the year ended March 31, 2022
	Interest Income		
	Bank deposits	8,386	3,809
	Loans	1	4
	Others	1,947	413
	Other non operating income		
	Rent receipts	8	6
	Forfeiture of security deposit	230	-
	Sale of tender documents	11	65
	Interest on delay in payment of minimum consideration	20	-
	Dividend from M/S AP Granites(Mid west)P Ltd	-	-
	Liabilities no longer required written back	54	262
	Penalties on buyers and millers	-	58
	Other miscellaneous Income	48	9
	<b>Total</b>	<b>10,704</b>	<b>4,627</b>

29	Changes in Inventories of finished goods	For the year ended March 31, 2023	For the year ended March 31, 2022
	a) Opening stock of finished goods	8,719	17,164
		8,719	17,164
	b) Closing stock of finished goods	20,708	8,719
		20,708	8,719
	<b>Changes in Inventories of finished goods</b>	<b>(11,990)</b>	<b>8,445</b>

30	Employee benefit expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
	Salaries and wages	3,795	3,070
	Contribution to provident fund and other funds	316	507
	Staff welfare expenses	489	380
	<b>Total</b>	<b>4,600</b>	<b>3,957</b>

31	Finance costs	For the year ended March 31, 2023	For the year ended March 31, 2022
	Unwinding of discount on provision	707	131
	Interest	7,031	1,607
	<b>Total</b>	<b>7,739</b>	<b>1,738</b>





32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Depreciation of property, plant and equipment	476	402
	Amortization of intangible assets	2,901	63
	Depreciation on right of use assets	119	101
	<b>Total</b>	<b>3,496</b>	<b>566</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Power and fuel	948	980
	<b>Total</b>	<b>948</b>	<b>980</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Excavation & transport charges for run of mine	6,545	5,582
	Excavation & transport charges for overburden	37,658	22,103
	Excavation of coal & OB Removal	32,068	-
	<b>Total</b>	<b>76,271</b>	<b>27,686</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Rents	21	29
	Repairs & maintenance	256	365
	Insurance	9	10
	Rates and taxes		
	Royalty	16,111	8,702
	DMF	3,565	2,601
	AMET	322	173
	Cess	558	463
	Reserve price	6,343	-
	MPGSVA Exp	2,265	-
	Forest tax coal exp	810	-
	Other rates and taxes	587	2,242
	<b>Other expenses</b>		
	Operating expenses	128	36
	Expenses for agency services	-	11,749
	Purchase of survey stones	7,272	531
	Discount on sales	335	-
	Transport and wagon loading charges	591	577
	Selling expenses	687	520
	New project expenses	705	50
	Office & general expenses	2,493	1,304
	Payment to auditors (refer note no 35.1)	10	8
	Audit fee for other auditors	11	16
	Printing & stationery	77	144
	Corporate social responsibility expenses	2,054	787
	Remuneration to out sourced services	5,014	3,783
	Research & Development Expenses	-	32
	Provision for doubtful advances	3,146	-
	Data processing charges	67	107
	Rehabilitation expenses	2,238	320
	Donations	503	1,270
	Miscellaneous expenditure	27	10
	<b>Total</b>	<b>56,203</b>	<b>35,831</b>



35.1	Payment to Auditors	For the year ended March 31, 2023	For the year ended March 31, 2022
	Statutory audit fee	10	8
	<b>Total</b>	<b>10</b>	<b>8</b>

### 36 Income Tax

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax:</b>		
Current income tax charge	20,202	10,994
<b>Total (a)</b>	<b>20,202</b>	<b>10,994</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	4,578	191
<b>Total (b)</b>	<b>4,578</b>	<b>191</b>
<b>Total</b>	<b>24,780</b>	<b>11,185</b>

### Other comprehensive Income

Items that will not be reclassified to P&L	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Remeasurement of defined benefit plan loss/gain</b>		
Gratuity	(139)	(76)
Leave encashment	(185)	(64)
<b>Total</b>	<b>(324)</b>	<b>(140)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit/(loss) before tax as per statement of profit and loss</b>	83,636	40,958
Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
computed tax expense	21,049	10,308
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	4,578	191
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	517	198
b) Change in depreciation	(3,049)	63
c) Provision for doubtful items	792	-
d) Other items	893	425
<b>Total income tax expense for the year</b>	<b>24,780</b>	<b>11,185</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2023	As at 31.03.2022
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,808	9,808
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	5,04,18	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chlmakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	i) Aggregate till end of the previous year	73,469	64,939
	ii) For the year(net off payment)	12,296	8,530
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and reaming un paid amount. (Details given below)	2,262	576



<b>B</b>	Contingent liability on BG's: Bank guarantees furnished to different Departments on behalf of the company.	80,274	63,000
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders Issued by the Sales tax / Vat authorities for the years 1998-1999 to 2022-2023, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	<b>469</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2022-23		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>





### 3B. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	860	-	110
Loans	-	68	30,637	-	30,705
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	40,426	-	40,426
Other bank balances	-	-	63,705	-	63,705
Other financial assets	-	-	1,03,124	-	1,03,124
<b>Total</b>	-	68	2,76,229	-	2,76,297
<b>Financial liabilities:</b>					
Borrowings	-	-	-	59,835	59,835
Trade payables	-	-	-	18,468	18,468
Other financial liabilities	-	-	-	74,484	74,484
<b>Total</b>	-	-	-	1,52,787	1,52,787

As at 31st March, 2022

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	698	-	698
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other Bank balances	-	-	33,105	-	33,105
Other Financial assets	-	-	94,224	-	94,224
<b>Total</b>	-	72	1,99,153	-	1,99,225



<b>Financial Liabilities:</b>				
Borrowings	-	-	50,552	50,552
Trade payables	-	-	11,324	11,324
Other financial liabilities	-	-	72,269	72,269
<b>Total</b>	-	-	<b>1,34,146</b>	<b>1,34,146</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2022-23	2021-22
Ageing	>12 Months	>12 Months
Gross carrying amount	3,524	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,524	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2022-23	2021-22
Ageing	<12 Months	<12 Months
Gross carrying amount	33,260	26,601
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	33,260	26,601

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



# **i. Commercial risk**

## **a. Sale price risk**

Particulars	Impact on profit	
	2022-23	2021-22
Selling price increase by 5%		
Barytes & Coal	10,100	4,889
Agency services	-	861
Survey Stones	409	-
Selling price decrease by 5%		
Barytes & Coal	(10,100)	(4,889)
Agency services	-	(861)
Survey Stones	(409)	-

## **b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense				
Excavation & transport charges for run of mine	(327)	327	(279)	279
Excavation & transport charges for overburden	(1,883)	1,883	(1,105)	1,105
Excavation of Coal & OB Removal	(1,603)	1,603	-	-

## **40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2023**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>1,52,787</b>	<b>1,52,787</b>	<b>67,205</b>	<b>85,582</b>



As at 31st March 2022

As at 31st March 2021				
Particulars	Carrying Amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2023	As at 31-03-2022
Employers contribution to provident fund	178	94
Employers contribution to pension fund	62	52

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2022

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	546	476	498	453
Service cost	19	21	29	17
Interest expenses	38	30	35	29
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(44)	(57)	(36)	(63)
Remeasurements - actuarial (gains)/losses	134	75	178	62
<b>Benefit obligations at the end</b>	<b>694</b>	<b>546</b>	<b>706</b>	<b>498</b>



Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	510	478	801	812
Interest income	36	32	57	53
Employer contributions	5	57	5	1
Benefits payments from plan assets	(44)	(57)	(36)	(63)
Actuarial gain / (loss) on plan assets	0	0	(6)	(2)
<b>Benefit obligations at the end</b>	<b>503</b>	<b>510</b>	<b>822</b>	<b>801</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
PV of obligations at the end of the year	694	546	706	498
Fair value of plan assets at the end of the year	503	510	822	801
Liability (+) / Asset (-) recognised in the balance sheet	191	36	(116)	(303)

**III. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Service cost	19	21	29	17
Interest expenses	2	(2)	(22)	(24)
<b>Net expense recognised</b>	<b>21</b>	<b>19</b>	<b>7</b>	<b>(7)</b>





iv. Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Actuarial (gain)/losses on obligations for the period	134	76	178	62
Actuarial (gain)/losses on plan assets for the period	5	0	6	2
<b>Net expense recognised</b>	<b>139</b>	<b>75</b>	<b>184</b>	<b>64</b>

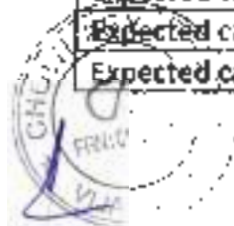
Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Rate of discounting	7.52%	7.30%	7.52%	7.30%
Rate of salary increase	7.00%	6.00%	7.00%	6.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.29%	13.51%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Expected cash flow in year 1	1,07	30	191	83
Expected cash flow in year 2	99	13	127	67
Expected cash flow in year 3	62	44	103	76
Expected cash flow in year 4	66	91	83	88
Expected cash flow in year 5	72	83	76	70
Expected cash flow in year 6	83	68	80	56
Expected cash flow in year 7	31	53	40	44
Expected cash flow in year 8	142	58	71	41
Expected cash flow in year 9	62	67	35	42



Expected cash flow in year 10	7	23	17	21
Expected cash flow in year 11	525	532	142	130

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	694	546	0.00%	0.00%
Salary escalation - up by 1%	713	579	2.75%	5.07%
Salary escalation - down by 1%	672	511	-3.16%	-6.44%
Withdrawal rates - up by 1%	700	550	0.91%	0.72%
Withdrawal rates - down by 1%	687	542	-1.02%	0.80%
Discount rates - up by 1%	656	509	-5.52%	-6.88%
Discount rates - down by 1%	737	589	6.26%	7.79%
Mortality rates- up by 10%	694	546	0.05%	0.04%
Mortality rates- down by 10%	693	546	-0.05%	-0.04%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	706	498	0.00%	0.00%
Salary escalation - up by 1%	735	523	4.10%	5.00%
Salary escalation - down by 1%	678	475	-3.90%	-4.70%
Withdrawal rates - up by 1%	706	499	0.00%	0.20%
Withdrawal rates - down by 1%	705	497	-0.10%	-0.20%
Discount rates - up by 1%	683	478	-3.20%	-4.00%
Discount rates - down by 1%	730	520	3.50%	4.40%
Mortality rates- up by 10%	706	499	0.00%	0.00%
Mortality rates- down by 10%	706	498	0.00%	0.00%



#### **ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

#### **x. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-03-2023	As at 31-03-2022
Profit after tax before exceptional items	59,126	30,051
Add: exceptional items	-	-
Profit after tax after exceptional items	59,126	30,051
Profit available for equity shareholders	59,126	30,051
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	93,758.22	47,653.81
Basic and diluted earnings per share (In Rupees) – after exceptional item	93,758.22	47,653.81

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.



**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,40,544 Lakhs is derived from five customers (P.Y 73,542 Lakhs from four customers).

**vi. Information about product and services**

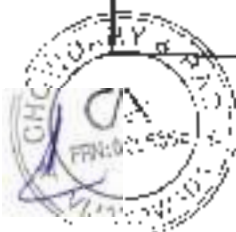
The company revenue from external customers for each product is same as that disclosed below under "segment revenue"

**a. Segment reporting for the financial year 2022-23**

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
Segment revenue				
External revenue *	2,02,002	-	8,189	2,10,191
Total segment revenue	2,02,002	-	8,189	2,10,191

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
Segment Results				
Profit/(Loss)	97,984	-	-	97,984
Unallocated other income	-	-	9,816	9,816
Unallocated expenses and finance cost	-	-	(24,164)	(24,164)
Profit before exceptional items and tax	97,984	-	(14,348)	83,636
Exceptional items				
Profit on investment in JV	-	-	270	270
Profit before tax	97,984	-	(14,078)	83,906
Income tax - Current	-	-	20,202	20,202
Deferred tax	-	-	4,578	4,578
Profit after tax	97,984	-	(38,858)	59,126





Other Information				
Segment assets **	2,17,255	16,166	3,16,458	5,49,879
Segment liabilities **	1,45,060	8,861	72,515	2,26,436
Capital work in progress	332	-	582	914
Depreciation and amortisation	3,309	886	177	3,496
Non-cash expense other than depreciation and amortisation	-	-	3	3

\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2021-22**

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	42,288	4,658	-	46,946
Unallocated other income	-	-	4,931	4,931
Unallocated expenses and finance cost	-	-	(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Exceptional items	-	-	-	-
Profit on investment in JV	-	-	279	279
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,709)</b>	<b>41,237</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(16,894)</b>	<b>30,051</b>
<b>Other Information</b>				
Segment Assets **	1,56,474	20,426	2,46,561	4,23,461
Segment Liabilities **	85,819	10,616	62,387	1,58,823





Capital work in progress	24	-	1,120	1,144
Depreciation and amortisation	284	110	171	566
Non-cash expense other than depreciation and amortisation	-	-	5	5

#### 44. Related party transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2023	As at 31-03-2022
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state fibernet limited – APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited - APSFSL	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,498
Pallavared granite private limited	447

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Andhra Pradesh granite (Midwest) private limited	274	62
Pallavared granite private limited	-	433
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2023	As at 31-03-2022
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
Pallavared granite private limited	-	107

**iv. Balance during the year with related parties**

Investment In subsidiaries	As at 31-03-2023	As at 31-03-2022
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2023	As at 31-03-2022
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Grand AP barytes beneficiation private limited	0	0



Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2023</b>	<b>31-03-2022</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration & Others to key management personal**

Name of the key management personal	As at 31-03-2023	As at 31-03-2022
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	12	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	30,500

**vii. Advance to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Rayafaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.



#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stock yards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stock yard, ramp maintenance, loading of sand into dispatch vehicles at the stock yard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stock yards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.22.91 crores against pending bills.





46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:

Subsidiaries	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence It is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Associates	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in





Andhra Pradesh tribal mining private limited	operative. Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.

#### 47 Deferred tax asset /(liability)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Tax effect of Items constituting deferred tax assets</b>		
Provision for employee benefits	0	6
Provision for decommissioning asset	2,472	2,299
Property, plant and equipment	-	-
Other provisions	2,822	2,039
<b>Total deferred tax asset</b>	<b>5,294</b>	<b>4,344</b>
<b>Tax effect of Items constituting deferred tax assets</b>		
Property, plant and equipment	1,879	1,897
Investments	25	25
Intangible Asset Under Development	5,545	-
<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,155</b>	<b>(2,423)</b>



#### 48. CSR Expenditure

- Gross amount required to be spent by the company during the year is Rs.716 (Previous Year Rs.797).
- Amount spent during the year

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Construction/ acquisition of any assets	-	-
Purpose other than above	2,054	787

#### 49. Treatment of demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- The then Principal Secretary (Ind & Comm ), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G O Ms.No 19 dated 29.01.2019.
- The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.



Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### Amounts held in current accounts, fixed deposits, sweep accounts

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.89,402 Lakhs (sweep accounts of Rs.809 lakhs and fixed deposits of Rs. 88,593 lakhs) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.



#### 50. Loan to Andhra Pradesh State Fiber Net limited (APSFL)

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00





3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.





Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

#### **54. Non valuation of inventory**

##### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 8,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and based on the sales of current financial year, and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MTs and the remaining stock (78.37 lakhs MTs) is considered without value.

##### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company.

During the FY 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2023 is 1.63 lakh MT (including 151 MTs of Grade – 1) which the company has not valued.

#### **55. Leasehold Lands**

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.



Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
<b>Total</b>		<b>2,556.86</b>

#### 56. Term loan from the State Bank of India

During the financial year 2020-21, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh and same is repayable through 102 equal monthly instalments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has been regular in repayment of interest and principal amounts on due dates

#### 57. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSC)

Company has received a letter from APSFSC with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSC. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the current financial year totalling to Rs.555.00 crores till 31-03-2023 for which Deposit certificates have been obtained from the APSFSC. APMDCL has received interest regularly till 31-03-2023 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSC.

#### 58. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a Government memo No:INC01-MG/10/2022-M-III DATED 02.09.2022 and Go.Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS & LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS & LR department from time to time. Further necessary tax invoices have been raised on the SS & LR department for the survey stones supplied with mark up of 7% as per the GO.



#### 59. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the first year of operations 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's as of 31-03-2022. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

During the current year, 1,941,507.45 MT's of coal has been produced (Cumulative 1,964,407.45 MT's) and 1,420,268.44 MT's has been dispatched (Cumulative 1,420,355.79 MT's) leaving a closing stock of 544,051.66 MT's as of 31-03-2023. Further, an additional amount of Rs.144.54 crores has been incurred on project intangible assets.

#### 60. Additional information

##### Particulars of consumption of stores & spares (Rs.in. Lakhs)

Particulars	Figures as at the end of March 31, 2023		Figures as at the end of March 31, 2022	
	Value	Percentage	Value	Percentage
Stores & spares Imported	-	-	-	-
Indigenous	256	100.00	365	100.00
Total	365	100.00	365	100.00

#### 61. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023 and 22<sup>nd</sup> November 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022, the board of directors of the company in their meeting held on 22<sup>nd</sup> November, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2022. In view of this, the reported amounts as on 31<sup>st</sup> March, 2023 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.



## 62. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in Rs. lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0 50 lakhs.

For CHOWDARY & RAO

Chartered Accountants

Firm Regn No.0006565



A V Raghava Rao

Partner

Mem No.200578



for and on behalf of the board of directors



Sri Pravin Kumar  
Managing Director

DIN:07106418



G. Rama Subbaiah  
Director

DIN: 10915409



V.V.V. Phani Kumar  
General Manager-F&A



Place: Vijayawada

Date: January 20, 2025

UDIN: 25200578BMHVUD8898





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

**Report on the Audit of Standalone Financial Statements.**

### Qualified Opinion:

We have audited the accompanying Standalone Financial Statements of **The Andhra Pradesh Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our Report, the aforesaid Standalone Financial Statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India of the:

- In case of Balance Sheet, of state of affairs of the Company as at 31<sup>st</sup> March 2024,
- In case of Statement of Profit and Loss (including Other Comprehensive Income), of profit of the Company for the year ended on that date,
- In case of Statement of Changes in Equity, and
- In case of Statement of Cash Flows, of cash flows for the year ended on that date.

### Basis for Qualified Opinion

- Refer Note 4B of the accompanying Standalone financial statements, where the company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has paid & adjusted Fixed Deposits, Interest on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on Confirmation obtained from them vide Memo No 4354/MI(1)/2018 dated 30-Jan-2024. The following balances still continue in the Standalone Financial Statements, after adjustment of the afore Fixed Deposits. In the absence of information, we are not able to ascertain the impact of the following amounts:

Sl. No	Name of the ledger	Note no	Classification	Rs. in lakhs	Dr/Cr
1	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	2,630.94	Cr
2	Vijayawada (bank)	11	Cash and cash equivalents	203.92	Dr

Head Office : Vaishnavi Plaza - 2<sup>nd</sup> Floor, A-40-6-3-9 Near V. P. Siddhartha Public School, Mogalrajapuram, Vijayawada - 520 010, Andhra Pradesh, INDIA.

Branch Offices : • Tenali • Hyderabad • Narasaraopet





2. The company has accounted for interest on credit sales from customers amounting to Rs.1.17 Cr for the FY:2023-24. The basis for calculation of accounting interest on credit sales has not been provided. The contractual copies which contain the terms and conditions for levying interest have not been provided. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales for the FY: 2023-24. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
3. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, Extra shift depreciation as per Sch II is not being provided for equipment(s) which are continuously used in the mining operations.

4. **Non-Conformity with Ind AS 115 - Revenue from Contracts:**

APMDC has neither adopted nor disclosed the 5-step model specified in Ind AS 115 to account Revenue arising from contracts with customers which requires that the Revenue be recognized to an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to a customer. However, the Revenue Recognition policy disclosed in Note 2(f) of the Significant Accounting Policies is not in line with Ind AS 115 Revenue from Contracts & Ind AS-1 Presentation of Financial Statements.

i) **Recognition & Measurement - Grade Variance of Coal not adjusted to Revenue:**

As per Ind AS 115, Revenue has to be measured at standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment. However, Grade Variances on account of quality difference in coal as per Clause 6 of Sale Agreement with Adani Power Limited (APL) for the FY: 2023-24 has not been adjusted to Revenue disclosed in Note 27 of the accompanying Standalone Financial Statements, which constitutes a departure from Ind AS 115. Accordingly, Revenue & Profit are overstated by Rs.148 Cr (Basic Coal Value) for the FY: 2023-24.

ii) **Measurement – Statutory Levies included in Revenue:**

As per Ind As 115, transaction price “... is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, **excluding** amounts collected on behalf of third parties (for example, some sales taxes).” Revenue disclosed in Note 27 of the accompanying Standalone Financial Statements is inclusive of all Statutory Levies excl. GSTs per Note 2(f) of the Significant Accounting Policies. As, inappropriate accounting policy cannot be rectified by disclosure, measurement of Revenue by incl. Statutory Levies, constitutes a departure from Ind AS 115. Accordingly, Revenue disclosed in Note 27 is overstated by Rs. 678.35 Cr and corresponding overstatement of Rates & Taxes (Note-35 Other Expenses) by Rs. 678.35 Cr for the FY: 2023-24.

iii) **Measurement - Survey Stones:**

As per G.O.Ms.No.33 dated 30-May-2023 of Mines & Minerals Department, in respect of supply of Survey Stones by APMDC “4(c) reimburse the expenditure incurred by Andhra Pradesh Mineral Development Corporation (M/s APMDC) for production and transportation of stones, along with service charge of 7% of the value of survey stones supplied.” i.e., APMDC receives Service charge of @ 7%. However, no accounting policy regarding revenue recognition & measurement criteria, pertaining to Survey Stones consequent to APMDC receiving only Service Charge was disclosed, which is not in line with Para 117 of Ind AS-1 Presentation of Financial Statements.



Out of the total Rs. 275 Cr Survey Stone Sales disclosed in Note 27 of the accompanying Standalone Financial Statements, Rs. 267.3 Cr sale was made by APMDC on Service Charge basis. Instead of recognizing Revenue at Rs. 17.5 (7% Service Charge Income), APMDC has recognized the entire Rs. 267.3 Cr (Stone Purchase Cost + 7% Service Charge) as Revenue & corresponding expenditure of Rs. 249.8 (Stone Purchase Cost) Cr as Other Expenses disclosed in Note 35, which is not in line with the Ind AS 115, resulting in overstatement of Revenue & Other Expenses to the tune of Rs. 249.8 Cr for the FY: 2023-24.

**5. Loss Allowance for Expected Credit Losses / impairment as required under Ind AS 109:**

- a) Corporation has stated in Note No.10 of the accompanying Standalone financial statements that a total amount of Rs.738.4 Cr was outstanding towards unsecured trade receivable being considered good by the Management. In our opinion, receivables those beyond certain period as decided by the board and those disputed in courts (if any) should have been classified under the heads 'significant increase in credit risk' and 'credit impaired' and adequate loss allowance from profit before tax should have recognised for expected credit losses in accordance with Ind AS 109. This resulted in overstatement of profit and overstatement of trade receivables.
- b) Of the Rs.738.4 Cr trade receivables in Note 10, Rs.417.6 Cr is due from the Survey Settlements & Land Records (SS&LR) Dept., Govt. of Andhra Pradesh, for supply of survey stones by APMDC. These receivables are unsecured and no guarantee is provided by the government. As per Sl. No. 4(d) of G.O.Ms.No.33 dt. 30-May-2023, payment should be made via adjustment bill to APMDC's PD account, but no funds were received in FY 2022-23 or FY: 2023-24. Management has not provided any expected Credit Losses on the same.
- c) Further, Out of the Rs.738.4 Cr trade receivables in Note 10, Rs. 152.4 Cr is due from Dept., of Mines and Geology, Andhra Pradesh towards sand operations carried on by the company as an agent during FY: 2022-23. These receivables are unsecured and no guarantee is provided by the government. Management has not provided any expected Credit Losses on the same.
- d) Further, Corporation has not provided the list of trade receivables which remain uncollected for more than 3 years and exceeded the limitation period for filing suit in the court, but where no legal case was filed for recovery.
- e) An amount of Rs.48.89 Cr only was kept under 'Reserve for Bad and Doubtful Debts' by the Company as on 31-Mar-2024. We are of the opinion that the Company should create adequate provision for loss allowance from profit before tax (instead of appropriation of after-tax profit as reserve) in accordance with Ind AS 109 for bad and doubtful trade receivables, and other recoverable.
- f) Balance confirmations are not obtained for the Trade receivables disclosed in Note 10 of the accompanying Standalone Financial Statements, and the balances remained unreconciled. Further, corporation has no regular system to maintain ageing analysis of trade receivables. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.





6. There exists long outstanding credit balances towards advances received from customers, trade payables, security deposits payable, EMD Payable Penalty Suspense, Statutory Dues Payable, and Other deposits payable which are disclosed in Note No.18, 20, 23, 24 and 25 of the accompanying Standalone financial statements and remain unpaid and unreconciled. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Even though, Corporation has disclosed an accounting policy for de-recognition of financial liabilities which were discharged, expired or cancelled in accordance with Ind AS 109 in Note 2(x), the same is not being followed / implemented. The precise effect of consequential adjustments upon such confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
7. There exists long outstanding advances given to Govt. Departments, Deposits with Collectors, Security Deposits, amounts recoverable from vendors & customers, which are disclosed in Note No. 5, 6, 8, 12 & 14 of the accompanying Standalone financial statements and remain outstanding and unreconciled. Further, confirmations / Utilization Certificate from Parties are also not available. Even though the corporation has disclosed an accounting policy for de-recognition of financial assets in accordance with Ind AS 109 in Note 2(x), & an accounting policy for impairment as per Ind AS 36 in Note 2(i), the same is not being followed / implemented. The precise effect of consequential adjustments upon such Utilization Certificate / confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
8. Refer Note 38, where the company has disclosed Classification of Financial Instruments as per Ind AS 109 as Amortized Cost & FVTPL. However, Loans and advances given to staff at concessional rate of interest, Trade Receivables, Trade Payables, Other Financial Assets & Other Financial Liabilities are not accounted at fair value and required disclosures have not been made as per Ind AS 109.
9. Note 35 Other expenses does not include Rs 132.28 Cr for the year and Rs 857.65 cr for previous years totalling to Rs 989.93 Cr payable by the company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT), as on reporting date though the company required to contribute 10% of the sales turnover to MERIT, which was formed by State Government (G.O.Ms. No 18 dated 13-Jan-2016) in place of Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. Rather, the liability towards the contribution is disclosed as contingent Liability in Note -37 to accounts quoting that Company requested (November 2019) the Government for exemption from contributing 10% of sales turnover and a fixed amount would be contributed. As per the latest information (Feb-2025) no exemption was granted by the State Government / MERIT. Hence suitable provision should have been recognised along with disclosures. Thus, non-recognition of provision should have been recognised along with disclosures. Thus, non-recognition of provision resulted in understatement of Other Expenses and Other current liabilities (Note-25) by 989.93 Cr each with consequent overstatement of the Profit for the year by the same amount.
10. The Company has been generally filing Income Tax Returns based on Provisional Financials (incl. for the FY:2023-24) without fully complying with the provisions of the Income Tax Act. Refer Note 8, where the Company stated Corporate Tax Receivable amounting to Rs. 175.45 Cr which are pending on account of various disputes at different forums & Refer Note 26, where the company has stated Provision for Income Tax Payable amounting to Rs.144.53 Cr for previous years. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Any consequential effect on account of actual tax liability based on the audited financial statements of previous years on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.



Further, APMDC has recognized Current Tax & Deferred Tax for the FY: 2023-24 in the statement of profit & Loss based on internal assessment. The estimate of Provision for Current Tax & Deferred Tax is subject to change on completion of Tax Audit u/s 44AB of Income Tax Act based on Audited Financial Statements. The precise effect of consequential adjustments upon such allowances / disallowances on completion of Tax Audit, if any, on the Standalone Financial Statements is not ascertainable.

11. The Board of Directors have declared Interim Dividend of Rs.400 Cr for the FY: 2022-23 & Rs.1,000 Cr for the FY: 2023-24 during Jan-24 & Feb-24. Out of the interim dividend declared amounting to Rs. 1,000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid as on date, leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.

Further, the company has written off Suspense A/c & Security Deposits totaling to Rs. 3.26 Cr during FY: 2023-24 and offered the same as Income. However, the corporation has neither a policy for write off of such Outstanding Deposits beyond a timeframe nor has documented approvals of the appropriate authority for such write offs. In addition, information in respect of ageing analysis of Security Deposits Payable, EMD Payable and Advances received from customers are not available. In the absence of information, we are unable to ascertain whether these amounts qualify as deposits under Companies (Acceptance of Deposits) Rules, 2014 & as to whether the Dividend paid by the company during the year is in compliance with provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.

12. The company is required to disclose Contingent Liabilities as per Ind AS 37. The best estimate of contingent liabilities is disclosed in Note 37 to the accompanying Standalone Financial statements as at March 31, 2024. The same could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification. Further, the disclosure in Note 37 does not contain details of current status of dispute, management estimate of outcome, accrued interest payout and amount involved for which no provision is made.

Further, the disputed income tax demands as disclosed as at 31-Mar-2024 in Note 37 of the accompanying Standalone Financial Statements is not matching with latest demand outstanding notice for which reconciliation and current status of dispute is not provided. Certain demands are found to be adjusted with income tax refund due, which are stated as receivable under Note 8 (Others – Balance with Statutory Authorities).

### 13. Inventory

- a) Physical Verification of Inventories on 31-Mar-2024 has not been carried on by the Management or by an external agency. Management has arrived at the quantities of closing stock of coal, Barytes & Survey Stones as on 31-Mar-2024 based on the Opening Stock, Production and Dispatch records. In the absence of physical verification of Inventories, the actual quantities as on 31-Mar-2024 may differ from the reported quantities by the management. Therefore, the precise effect due to any consequential variances in the quantities of inventories, cannot be ascertained.

Refer Note 2(i) & Note 53, where company has recognized closing stock for C+D+W Grade of Barytes only for a quantity of 15,00,000 MTs as against the actual quantities of 77,34,091 MT and considering no value for the remaining stock of 62 Lakh MTs (approx.), as management expect this grade not to fetch any value in the market.



However, on 24-Jan-2024 a tender was issued by APMDC for the sale of C+D+W grade material, with a reserve price of Rs.1,200/- per MT basing on the pricing strategy conducted by PWC. Single bid has been received & several parties expressed interest to lift the C+D+W grade material on reduction of EMD & Tender fees. Therefore, the estimate of the management that the C+D+W+ grade material has no market value is not appropriate and not in line with Ind AS 2 - resulting in undervaluation of Inventory to an extent of Rs. 489 Cr. (62 Lakh MT @ Rs.784 / MT – Actual Cost of Production of C+D+W for FY: 2023-24).

- b) As required under para 97 and 98 of Ind AS 1, Corporation shall disclose the exceptional items like Carrying amount of inventory written down to net realisable value separately in its financial statements. However, carrying amount of inventory (C+D+W Barytes & Survey Stones) written down in the year & previous years to net realisable value (Nil) is not disclosed separately in the Standalone financial statements.

14. The total Mine Closure Cost for Suliyan Coal Mine as per the Mining Plan is Rs.526.6 Cr to be incurred over a period of 26 years & the company recognized Decommissioning Asset & corresponding Provision for Decommissioning based on Mine Closure guidelines of Ministry of Coal for Total Mine Closure (Refer Note 2(p)). However, as per Clause 16.2(b) read with Clause 7.6 of the agreement between APMDC & M/s Adani Enterprises Limited (AEL), Mining Fee payable to AEL shall also include costs incurred towards "Progressive Mine Closure activities" and therefore, no additional cost is to be incurred by APMDC towards Progressive Mine Closure activities. In the absence of adequate information relating to Total Mine closure cost apportionment between AEL & APMDC, we were unable to ascertain the adequacy and extent of Decommissioning Asset (Note 3.3) & Provision for Decommissioning (Note 19) recognised in the Standalone Financial Statements and their corresponding accumulated depreciation & Unwinding Costs debited to Profit & Loss for the FY: 2023-24. The precise effect due to the consequent distribution of Mine Closure costs between AEL & APMDC could not be ascertained.

Further, APMDC has been operating Granite Mines at Chimakurthy, Andhra Pradesh. No provision for Mine Closure & Decommissioning costs as required under Ind AS 16 has been recognized in the Standalone Financial Statements as on 31-Mar-2024. The resulting impact on Standalone financial statements could not be ascertained, in the absence of adequate information.

15. We draw your attention to Note 34, where the company expensed Rs. 374 Cr towards Removal of Overburden in Barytes (Mangampet Mine) achieving Stripping Ratio of 3.17, as against 1.77 Stripping Ratio as per Mining Plan. The management has represented that, the significant increase in OB Removal in Mangampet Mine during the year is on account of OB removed in the adjacent Dolomite Mine, which is not included in computation of Stripping ratio of the Barytes Mining Plan. The expenses incurred for OB removal of Dolomite mine is required to be considered as Development expenditure and is required to be capitalized as per Accounting Policy disclosed in Note 2(aa). The OB Excavation expenses of Rs. 374 Cr is not allocated / apportioned between Barytes & Dolomite Mine and is charged entirely to Revenue for the FY: 2023-24. In the absence of bifurcation of the OB excavation expenditure between Barytes & Dolomite Mine, we are unable to ascertain the impact on profit & Loss account. Accordingly, the accounting policy selected and adopted by the company for accounting Overburden removal costs is not in line with Para 10, 11 & 12 of Ind AS 8.





16. As per Para 13 of Ind AS 8, an entity shall select and apply its accounting policies consistently for similar transactions & it shall be selected and applied consistently to each category. The Company has not adopted any Accounting Policy in respect of treatment for R&R Costs. The following account treatment is followed by the company in respect of R&R Costs:

- a) In respect of Mangampet mine, the R&R costs incurred at the inception of the project is not found as an asset, as the same is charged to revenue as and when incurred. However, part of the R&R Costs incurred by the company during the previous years are parked as advances and neither expensed off nor capitalized amounting to Rs. 155 Cr. These R&R costs along with R&R costs incurred during the FY: 2023-24 of Rs. 290 Cr, aggregating to Rs. 445 Cr were capitalized as Mining Assets during FY: 2023-24 and amortized over the remaining life of the mine (5 Years). Amortization Cost debited to Profit & Loss on this account is Rs. 106 Cr. Further, justification for incurring R&R costs when the mine is nearing closure is not available.
- b) R&R Costs and Mine Development Costs incurred in respect of Suliari mine amounting to Rs. 1,517 Cr up to FY: 2022-23 are capitalized as Mining Infrastructure Assets as and when incurred, which is in contrary to the accounting for R&R costs adopted for Mangampet Mine up to FY: 2022-23.
- c) On verification of the Lands in (PPE - Note 3), R&R Costs are capitalized as Land amounting to Rs. 18.9 Cr, which is neither charged to revenue nor amortized. This is in contrary to the accounting treatment given by the company for Mangampet & Suliari Mines.

As the Company has neither adopted & disclosed the accounting Policy nor applied the accounting treatment for these costs consistently in respect of R&R Costs, the same is not in line with Para 10, 11, 12 & 13 of Ind AS 8. The precise effect of consequential adjustments on the Standalone Financial Statements on adoption of the accounting policy by the company is not ascertainable.

**17. Suliari Coal project, Madhya Pradesh:**

- a) The company has outsourced the entire Mine Development & Operations of Suliari Coal Mine, Madhya Pradesh to "Adani Enterprises Limited" (MDO) & around 70% of coal produced during FY:2023-24 is sold to "Adani Power Limited" (APL) vide a coal supply agreement for 5 years. During the FY: 2023-24, the average Sale rate of coal to APL is significantly lower than compared to the avg. sale rate to other parties, resulting in forgone potential revenue of Rs. 430 Cr. The documentation along with justification of awarding the Mine Production & Sale agreements to parties related to each other are not on record.
- b) Further, Liquidated Damages / Compensation / Penalties for delay in commencement of Coal production & for not meeting the monthly quantity obligations as per the terms of the agreement are not levied on AEL by APMDC. Similarly, no Penalties are levied by APMDC on APL for Short Lifting of Coal produced as per the terms of Coal Supply agreement. Further, no waiver by competent authority is available on record.
- c) Additionally, Interest bearing Performance Security Deposit (PSD) of Rs.250 Cr is taken from Adani Power Limited (APL) by APMDC instead of a Bank Guarantee. Justification of the management in accepting Interest bearing PSD instead of Interest free Bank Guarantee cannot be ascertained.
- d) An amount of Rs. 1,652 Cr. was capitalized towards R&R & Mine Development Costs of Suliari Coal Mine as on 31-Mar-2024. As the records relating to the costs incurred during the previous years are not available, we are unable to comment on the appropriateness of the R&R and Mine Development Costs Capitalized.

In the absence of any effective documented Risk Management Policy by the company, we are unable to ascertain the corresponding effect on the Standalone financial Statements and operations of the Suliari Mine, due to potential Risks (if any) involved in the aforesaid matters.



18. Corporation has not obtained confirmation of MSME classification from vendors and hence, bifurcation of trade payables to MSME and others is not disclosed as required under Schedule III of Companies Act. Further, the ageing of Trade Payables, Trade Receivables & Capital Work in Progress, Cost & Time Overrun of CWIP is not disclosed as required under Schedule III of Companies Act, 2013.

**19. Interest Free Loan to Andhra Pradesh State Fiber Net Limited (APSFL):**

The Company has released an interest free unsecured loan of Rs. 100 Cr during the financial year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly instalments starting from FY: 2018-19 and ending in FY: 2021-22. APSFL has not repaid the instalments due in FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 as per terms of the agreement till date. The said loan is unsecured and not backed up by any government guarantee.

The management has not provided for impairment on the loan amount as it is confident of the recovery of the loan. In the absence of Audited Financial Statements of APSFL from FY 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

**20. Loan to Machilipatnam Urban Development Authority (MUDA):**

The Company has released unsecured loan of Rs. 200 Cr. to M/s Machilipatnam Urban Development Authority ("MUDA") on 01-Nov-2018 bearing interest at 8% per annum and repayable in 45 days. Despite multiple requests for repayment by APMDC, both the principal and the outstanding interest remain unpaid as on date. The said loan is an unsecured loan and is not backed by any government guarantee.

Additionally, APMDC received G.O.Ms. No. 32 dated 14-Mar-2024 to Waive off Rs.7.07 Cr of principal amount and corresponding interest that is recognised in the books of account. The Company has not written off / impaired the Loan. Further, in the absence of Audited Financial Statements of MUDA from FY 2018-19 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.

Further, the management has not provided for impairment on the loan amount as it is confident of the recovery of the loan, but on the other hand management has not recognized Interest Income amounting to Rs. 84.7 Cr for the period of 1931 days from 16.12.2018 to 31.03.2024 (excl. penal interest leviable under Clause 4 of loan agreement), on the basis of the accounting policy stating that Interest Income on irregular / overdue advances are recognized on realization basis. Thus, the practice of the Company to defer the recognition of interest accrued on loan referring to its accounting policy disclosed at 2(f)(iv) to recognise interest income on irregular / overdue advances on realisation basis is not justified and appropriate to that extent since neither uncertainty in realisation of the said loan was justified nor carrying amount of loan was impaired. As, inappropriate accounting policy cannot be rectified by disclosure. Deviation from accrual basis of accounting results in understatement of Other Income and Loans by Rs. 84.7 Cr each with understatement of Profit by the same amount.



21. APMDC has secured a term loan from SBI at an initial interest rate of 7.20% to fund the Capex of the Suliyan Coal Mine. Subsequently, on 13-Oct-2021, it received an interest-bearing Performance Security Deposit (PSD) from Adani Power Limited (APL) at an initial interest rate of 9%, payable to APL on a quarterly basis. The decision to accept an interest-bearing PSD from APL instead of a cost-free bank guarantee lacks commercial justification.

Furthermore, APMDC has invested Rs. 555 Cr. in Inter-Corporate Deposits (ICDs) of Andhra Pradesh State Financial Services Corporation (APSFSC), earning an initial interest rate of 5% per annum. These ICDs are redeemable with a 21-day notice. The investment was made using Rs. 250 Cr. from the interest-bearing PSD received from APL, along with other bank balances of APMDC. This has resulted in APMDC borrowing at higher interest rates (Term Loans & PSD) while investing in ICDs at lower interest rates, leading to a revenue loss for the Corporation.

The financial rationale behind the management's decision to continue holding these ICDs, despite their redeemability within 21 days, and not utilizing the funds to repay borrowings remains unclear. As a result, APMDC has incurred a revenue loss of Rs. 10 Cr. for FY 2023-24 (based on revised Interest rates for FY: 2023-24) due to the continued investment in these ICDs. The total revenue loss to APMDC from inception could not be determined due to the fluctuating nature of interest rates on these borrowings.

22. APMDC has employed maximum of 336 Nos. of Contract employees during FY: 2023-24 with a monthly remuneration totaling to Rs. 1.14 Cr during that period and debited Rs. 10.5 Cr for the FY: 2023-24 to the statement of profit & loss.

On comparison with Dec-2024, the No. of. Contract Employees substantially dropped to 74 Nos. from 336 Nos. and the monthly remuneration to Rs.0.5 Cr from Rs.1.14 Cr. The designations of the contract employees during FY: 2023-24 were DEO or DPO and the Job Descriptions were not specified in the terms of the agreement. Further, we are unable to obtain any explanation and justification of the management for the significant decline in the total no. of contract employees. In the absence of sufficient & adequate information, we are unable to ascertain the existence and accuracy of the Contract Employee Cost of Rs. 10.5 Cr debited to profit & loss for the FY: 2023-24 under Employee Benefit Expenses.

23. We draw attention to Note 43 to the accompanying Standalone financial statements, where the company has not adequately disclosed segment information in accordance with Indian Accounting Standard (Ind AS) 108 – Operating Segments. The standard requires an entity to disclose information about its operating segments based on internal management reporting used for decision-making, including segment revenue, segment results, and segment assets and liabilities.

The Company has coal and barytes operations, which comprise two major sources of revenue. However, the company has disclosed Segment reporting under a single segment as mining operations, instead of presenting them as separate operating segments. Since these operations have distinct economic characteristics and are subject to different risks and returns, their aggregation does not align with the principles set out in Ind AS 108. The lack of appropriate segment reporting may impact the users' ability to assess the financial performance, profitability, and risk profile of each business segment individually. As a result, the Standalone financial statements do not provide sufficient information to enable a proper evaluation of the Company's performance across its operating segments.





We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter Paragraph:**

Without qualifying our opinion, we draw attention to the following matters in the Standalone Financial Statements:

1. Refer Note No. 64, the supplementary Audit of C&AG for the FY: 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23 is yet to be completed and thus, same are yet to be adopted by the members in Annual General Meeting. As the Financial statements along with independent auditors' report of the corporation for the FY: 2022-23 are yet to be adopted by the members in AGM, (corporation submitted the same to CAG for supplementary Audit only on 04-Feb-2025), the comparative figures for previous year 2022-23 which are provided in the current year financial statements are unadopted.
2. Refer Note No. 45, the company has paid an amount of Rs. 30.54 Cr against outstanding balances pertaining to sand operations, which was carried over from the previous year financials on which previous auditors have issued a disclaimer of opinion.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key audit matters as per SA 701, are not applicable to the company as it is an Unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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



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

The Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Other Matters:**

1. APMDC has completed its migration to a new ERP system (Dynamics 365) during the year. However, no independent audit was conducted to verify the accuracy, completeness, and integrity of data migration, system controls and its effectiveness, and reconciliation with previous records.
2. Note 14 (Other Current Assets) of the accompanying Standalone financial statements primarily comprises of GST Input Tax Credit (ITC) receivables representing accumulation of ITC due to inverted duty structure & RCM applicable on royalty. Management estimates to utilize this accumulated ITC in future for payment of Output GST based on various factors such as volume increase and price revisions, change in business operation model (i.e., departmental capabilities in place of outsourcing), changes in output GST Rate, diversification of business etc., However, the scale and magnitude of GST ITC accumulation by the company in recent years is significant (Rs. 256 Cr as on 31-Mar-2024 as compared to Rs.120 Cr as on 31-Mar-2023). With the company not having any departmental operations and the fact that, the entirety of the mining operations outsourced, the anticipated use of the GST ITC by the management may not align with the estimates, potentially necessitating write-offs which can have a substantial impact on the profit.

Our opinion is not modified in respect of these matters.



### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required under Section 143(5) of the Companies Act 2013, we give in "Annexure B" a statement on the directions and sub-directions issued by the Comptroller and Auditor General of India, action taken thereon and the impact on the accounts and Standalone financial statements of the Company, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us.
3. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought, except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d) Except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
  - e) Being a Government Company, pursuant to Notification No. GSR 463(E) dated 15-Jun-2015 issued by Government of India, Provisions of clause (g) of sub-section (3) of section 143 of the Companies Act 2013 are not applicable to the Company.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.
  - g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on cash flows of the Company.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. Due to qualification stated at Para No. 12 of the Basis of Qualified Opinion, we are unable to comment on whether the Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
- ii. In our opinion and as per the information and explanations provided to us, the Company did not have any long-term contracts, requiring provisions under applicable laws or accounting standards, for material foreseeable losses.
- iii. There are no amounts which are required to be transferred to 'Investor Education and Protection Fund' by the company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.
- v. As stated by the company in Note 65 of the accompanying Standalone Financial Statements & due to the qualification stated in Para No. 11 of the Basis of Qualified Opinion, we are unable to ascertain whether the interim dividend declared by the company is as per the provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.

Further, out of the interim dividend declared amounting to Rs. 1000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.

The Final dividend for the FY: 2022-23 & FY: 2023-24 is not yet proposed by the board of Directors, as on the date of the Audit Report.



- vi Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921BMLEAZ3052



For M. N. Rao & Associates

Chartered Accountants

Firm Reg. No: 0053865

*Satish Kumar*

(Ch. Satish Kumar)

Partner

Membership No.: 229921

Encl.: Annexure A, B and C to the Audit Report



**Annexure - A to the Independent Auditors' Report**

*(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2024.)*

We report that:

1. In respect of Company's Property, Plant and Equipment, right-of-use (ROU) assets and Intangible Assets:
  - a) The Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc., of property, plant and equipment and right-of-use (ROU) assets.
  - b) The Company has not maintained proper records showing full particulars of intangible assets.
  - c) There is no documented policy / laid down procedures for conducting physical verification of Property, Plant and Equipment. Hence, we are unable to comment on the process of physical verification of Property, Plant and Equipment by the company.
  - d) Reference is drawn to the Para 3 of the Basis of our qualified opinion where it is mentioned that proper records of Property, Plant and Equipment were not maintained. In the absence of adequate information, we were unable to comment whether the title deeds of the immovable properties held as on 31-Mar-2024 were in the name of the company. However, we were able to verify the lands acquired during the year and the possession certificates / Letter of Award / Letter of Alienation were available on record.
  - e) The company has not revalued its property, plant and equipment or intangible assets or both during the year. Therefore, the Clause 3(i)(d) of the order is not applicable to the company.
  - f) No proceedings have been initiated during the year or are pending against the company as at 31-Mar-2024 for holding any benami property under the Benami Transaction Prohibition Act 1988. Therefore, the Clause 3(i)(e) of the Order is not applicable to the Company.
2. In respect of inventory
  - a) Reference is drawn to Para 13 of the Basis of our Qualified Opinion & according to the information and explanations furnished to us, physical verification of inventory has not been conducted at reasonable intervals by the Management. Hence, the coverage and procedure of physical verification of inventory is not being followed by the management.
  - b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns / stock statements, were not filed by the company.
3. According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013 and hence we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.



4. As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as it is a Government Company and if such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company or as the case may be the State Government before making any loan or giving any guarantee or providing any security under the section. As per our verification of the records, the loans given by the company were in accordance with the GOs received from the administrative department of the State Government and hence, the Company is compliant with the provisions of section 185 and 186 of the Act.
5. Reference is drawn to para 11 of the Basis of our qualified opinion in the audit report, where we are unable to determine whether the amounts qualify as deposits under Companies (Acceptance of Deposits) Rules, 2014 and hence the compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 could not be ascertained.
6. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not made detailed examination of the records with the view to determine whether they are complete.
7. a. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including Employees Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

Sl.no	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	TDS	2019-20	8,32,824
2	Central Goods and Services Tax, Act	TDS	2019-20	1,29,16,730
3	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
4	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019.-20	94,19,538
5	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2023-24	29,38,31,864
6	Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 to 2023-24	24,88,497



- (b) According to the information and explanations given to us, the following Statutory dues have not been deposited by the company on account of disputes:

Sl. no	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount In Rupees
1	Income Tax Act	Demand	ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act	Demand	ITAT	2012-13	1,10,70,279
3	Income Tax Act	Demand	ITAT	-	27,31,630
4	Income Tax Act	Demand	CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030
9	VAT/Sales Tax	Consideration from Joint Venture & Other Receipts	Appellate Tribunal (Tirupati)	2020-21	6,64,38,807
10	CST APPELLATE Authority	H-Form's	CST Appellate Visakhapa tnam	2022-23	3,74,39,288
11	CESTAT	Service tax on Seigniorage	CESTAT Hyderabad	2021-22	7,77,63,051
12	CESTAT	Penalty on service tax on Seigniorage	CESTAT Hyderabad	2021-22	7,77,63,051

The aforesaid details are provided based on the information provided by the management and could not be verified by us due to absence of adequate information and records.

We also draw attention to Para 10 & Para 12 of the Basis of our Qualified Opinion.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) is not applicable. We also draw attention to Para 10 of the Basis of Qualified Opinion.
9. a. According to the information and explanations give to us and on the basis of our examination of the records of the Company, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to the lenders.



- b. The Company has opened current accounts in non-lending banks which is not permitted as per the terms of sanction of working capital loans and the company has not obtained NOC from the lending bank as on date to open current accounts in other banks.
  - c. According to the information and explanations give to us by the management, in our opinion, term loan availed by the Company were applied by the Company for the purposes for which the loans were obtained.
  - d. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e. The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates and joint ventures and hence reporting under Clause 3(ix) (e) of the order is not applicable.
  - f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures and hence reporting under Clause 3(ix) (f) of the order is not applicable.
10. a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Hence, reporting under Clause 3(x)(b) of the Order is not applicable.
11. a. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b. No Audit Report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act during the year under report.
- c. According to the information and explanations given to us, no whistle blower complaint has been received by the company during the year.
12. The Company is not a Nidhi company and hence reporting under Clause 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. a. In our opinion, the Company has an internal audit system which is inadequate and not commensurate with the size and nature of its business.
- b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence reporting under Clause(xv) of the Order is not applicable.
16. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the futures viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. a. There are no unspent amounts towards Corporate Social Responsibility (CSR) that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year  
b. The company is not carrying on any CSR activities towards ongoing projects and hence the reporting under clause (3)(xx)(b) of the order is not applicable for the year under report.
21. Based on our review of the audit reports received by us in respect of four Joint Ventures and according to the information and explanations given to us in respect of other subsidiaries, joint ventures and associates, included in the consolidated financial statements of the Company, where reporting on matters specified in paragraph 3 and 4 of the Order is applicable, and based on the identification of any qualifications or adverse remarks in their Companies (Auditor's Report) Order, 2020 reports by the respective component auditors, we report that no qualifications or adverse remarks have been reported by the auditors of such companies in their CARO reports.

**Place: Vijayawada**  
**Date: 05-Feb-2025**



**For M. N. RAO & ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No: 005386S**

*Satish Kumar*  
**(Ch. Satish Kumar)**  
**Partner**

**Membership No.: 229921**  
**UDIN: 25229921 BMLEAZ 3052**





**Annexure-B to the Independent Auditors' Report**

*(Referred to in paragraph 2 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2024)*

**Report on Directions & Sub-Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics ERP. However, many areas have not been covered under the ERP such as Accounting of Inventory, Payroll, Stores Consumption, Depreciation etc which are manually maintained  We draw attention to Para 1 of the Other Matters section of our Audit Report, in respect of ERP Migration during the year
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/ interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanations given to us and based on our examination of the records of the Company there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received utilized returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centlage realized on these works, with full quantitative details may be detailed	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies.  a) Where grants are taken as revenue for the year whether the concerned orders are clear that the funds can be utilised for revenue expenditure.	According to the information and explanations given to us and on the basis of our examination of the records of the company there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.





	b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease).	There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Company has been maintaining Public Deposit Account vide PD DDO Code: 27002403004 and there are no transactions in the PD account during the FY: 2023-24.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been received by APMDC during the year.</p> <p>c) During the year company has not deposited any amount in PD Account.</p> <p>d) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-Mar-2024.</p>



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	Reference is invited to Para 13 of the Basis of Qualified Opinion in the Audit Report.
9	Whether the cost incurred on abandoned projects has been written off?	We draw attention to Note 57, where corporation has made doubtful provision of Rs 23.94 Cr for the Upfront Fee regarding Madanpur South Coal Mine written off during FY 2022-23
10	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalized and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of Information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion para 1, we are unable to comment upon the same.  We also draw attention to Note 4B in the accompanying financial Statements.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	We are unable to comment upon the same as we have not visited the mine. As per the representation provided by the management, they are in compliance with stipulated norms.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has obtained the requisite statutory compliances that was required under mining and environmental rules and regulations.



14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Reference is invited to Para 14 & 15 of the Basis of Qualified Opinion in the Audit Report.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified	According to the information and explanations given to us and on perusal of the mining plans submitted to us, the company has not disbanded or discontinued any mines during the year.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	Reference is invited to Para 14, 15 & 17 of the Basis of Qualified Opinion in the Audit Report.

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921BMLEA23052



For M. N. Rao & Associates

Chartered Accountants

Firm Reg. No: 005386S

*Satish Kumar*

(Ch. Satish Kumar)

Partner

Membership No.: 229921



### **Annexure - C to the Independent Auditors' Report**

(Referred to in paragraph 3(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2024)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.



### Meaning of Internal Financial Controls over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

### Disclaimer of Opinion:

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2024.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of Financial Statements of the company, and the disclaimer does not affect our opinion on the Financial Statements of the Company.

**For M. N. Rao & Associates**  
**Chartered Accountants**  
**Firm Reg. No: 005386S**



*Satish Kumar*  
**(Ch. Satish Kumar)**  
**Partner**

**Membership No.: 229921**

**Place: Vijayawada**

**Date: 05-Feb-2025**

**UDIN: 25229921 BMLEAZ3052**



The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone balance sheet as at March 31, 2024  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	3	7,210	8,121
(b) Right-of-use assets	3.1	133	102
(c) Capital work in progress	3.2	556	914
(d) Intangible assets	3.3	1,95,406	1,56,987
(e) Intangible assets under development	3.4	8,906	6,315
(f) Financial assets			
(i) Investments	4	500	370
(ii) Loans	5	383	338
(iii) Other financial assets	6	6,665	99,399
(g) Deferred tax assets (net)	7	-	231
(h) Other non-current assets	8	43,576	62,963
<b>Total non-current assets</b>		<b>2,63,434</b>	<b>3,35,772</b>
<b>2) Current assets</b>			
(a) Inventories	9	20,731	18,482
(b) Financial assets			
(i) Trade receivables	10	74,564	37,477
(ii) Cash and cash equivalents	11	28,899	39,871
(iii) Other bank balances	11	66,737	63,705
(iv) Loans	12	30,076	30,131
(v) Other financial assets	13	1,038	5,043
(c) Other current assets	14	29,480	16,775
<b>Total current assets</b>		<b>2,51,521</b>	<b>2,11,484</b>
<b>TOTAL ASSETS</b>		<b>5,14,956</b>	<b>5,47,256</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity share capital	15	631	631
(b) Other equity	16	2,99,373	3,23,139
<b>Total equity</b>		<b>3,00,004</b>	<b>3,23,770</b>
<b>Liabilities</b>			
<b>2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	55,974	49,045
(ii) Lease liability		-	-
(iii) Other financial liabilities	18	6,131	36,547
(b) Provisions	19	9,453	10,912
(c) Deferred tax liability (net)	7	12,663	-
(d) Other non-current liabilities	20	254	254
<b>Total non-current liabilities</b>		<b>84,475</b>	<b>95,849</b>
<b>3) Current liabilities</b>			
(a) Financial liabilities			
(i) Short-term Borrowings	21	15,498	10,830
(ii) Lease liability	22	134	113
(iii) Trade payables	23	19,117	18,468
(iv) Other financial liabilities	24	25,015	37,824
(b) Other current liabilities	25	57,945	44,976
(c) Current tax liabilities	26	14,455	15,507
<b>Total current liabilities</b>		<b>1,30,477</b>	<b>1,27,637</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,14,956</b>	<b>5,47,256</b>
<b>Notes to Financial statements</b>	1-68		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For M&RAD & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*Mukesh Kumar*  
 Managing Director  
 DIN: 01332553

*Tham*

M. V. S. Prasad Kumar  
 General Manager - F&A

*G. Rama Subbaiah*  
 Director  
 DIN: 00925409



Place: Vijayawada

Date: February 05, 2025

UDIN:- 25129921BMLEAZ3052

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2024**  
A.I amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	27	3,84,059	2,10,191
II Other income	28	12,890	9,930
III Total income (I+II)		3,96,949	2,20,121
IV Expenses			
Change in inventories of finished goods	29	(2,207)	(9,678)
Employee benefits expense	30	5,254	5,164
Finance costs	31	7,678	8,550
Depreciation and amortization expense	32	21,152	3,516
Power and fuel	33	870	948
Excavation and transport charges	34	1,09,889	76,271
Other expenses	35	1,10,757	53,716
Total expenses (IV)		2,53,393	1,38,486
V Profit before tax (III-IV)		1,43,556	81,634
VI Tax expense/(benefit)			
Current tax	36	24,563	19,640
Deferred tax	36	12,874	2,212
Total tax expense/ (benefit) (VI)		37,438	21,852
VII Profit for the year (V-VI)		1,06,119	59,782
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re-measurement of post-employment benefit obligations)		(15)	(324)
(ii) Income tax on above items		-	-
Total other comprehensive income for the year (VIII)		(15)	(324)
IX Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the Year) (VII+VIII)		1,06,104	59,459
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	1,68,276.58	94,799.44
- Diluted (Rs.)		1,68,276.58	94,799.44
Notes to financial statements	1-68		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No. 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*MV*  
Mukesh Kumar Meena

Managing Director

DIN: 01232593

*G. Rama Subbaiah*

G. Rama Subbaiah

Director

DIN: 10915409

*Thani*

V.V.V. Phani Kumar

General Manager - F&A



Place : Vijayawada

Date : February 05, 2025

UDIN :- 25229921BMLEAZ-3052-

**The Andhra Pradesh Mineral Development Corporation Limited**

Statements of changes in equity for the year ended March 31, 2024

**A. Equity share capital**

(Rs. in Lakhs)

Particulars	No of Shares	Amount
Balance as at April 1, 2022	63,062	631
Changes in equity share capital during 2022-23	-	-
Balance as at April 1, 2023	63,062	631
Changes in equity share capital during 2023-24	-	-
Balance as at March 31, 2024	63,062	631

**B. Other equity**

(Rs. in Lakhs)

Particulars	Reserve and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2022	110	1,531	17,050	2,04,835	(57)	(19)	(30)	2,63,920
Profit for the year	-	-	-	59,782	-	-	-	59,782
Free ride equity shares in joint Ventures	260	-	-	-	-	-	-	260
Other comprehensive income for the year	-	-	-	-	-	(324)	-	(324)
Total comprehensive income for the year	260	-	-	59,782	-	(324)	-	59,719
Transfer to reserve for bad and doubtful debts	-	616	-	(616)	-	-	-	-
Balance as at March 31, 2023	370	2,147	17,050	3,04,001	(57)	(343)	(30)	3,23,339
Free ride equity shares in joint Ventures	130	-	-	-	-	-	-	130
Profit for the year	-	-	-	1,06,119	-	-	-	1,06,119
Other comprehensive income for the year	-	-	-	-	-	(15)	-	(15)
Total comprehensive income for the year	130	-	-	1,06,119	-	(15)	-	1,06,234
Interim Dividend (FY 2023-24)	-	-	-	(90,000)	-	-	-	(90,000)
Interim Dividend (FY 2022-23)	-	-	-	(40,000)	-	-	-	(40,000)
Transfer to reserve for bad and doubtful debts	-	2,741	-	(2,741)	-	-	-	-
Balance as at March 31, 2024	500	4,888	17,050	2,72,379	(57)	(358)	(30)	2,99,373

As per our report of even date

For and on behalf of the Board of Directors

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

*Satish Kumar*  
Ch. Satish Kumar  
Partner  
Mem No. 229921



*Mukesh Kumar Meena*  
Mukesh Kumar Meena  
Managing Director  
DIN: 01232593

*E. Rama Subbala*  
E. Rama Subbala  
Director  
DIN: 10915409

*V.V.V. Phani Kumar*  
V.V.V. Phani Kumar  
General Manager - F&A



UDIN:- 25229921BMLEAZ3052

Place : Vijayawada  
Date : February 05, 2025

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the year ended March 31, 2024  
 All amounts are in Rs. Lakhs, unless otherwise stated.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	1,41,556	81,634
Adjustments for:		
Interest expense	6,874	7,003
Unwinding of discounting on provisions	304	701
Interest income	(11,608)	(9,470)
Depreciation and amortisation expense	21,152	3,516
Dividend income	(165)	(110)
Provision for bad & doubtful advances	2,571	3,145
Bad & doubtful debts	476	-
Assets written off	-	662
Liabilities no longer required written back	(71)	(54)
Operating profit before working capital changes	1,63,599	87,028
Adjustments for:		
Increase/(decrease) in trade payables	969	7,144
Increase/(decrease) in provisions	(3,878)	(3,241)
Increase/(decrease) in other financial liabilities	(45,062)	2,347
Increase/(decrease) in other liabilities	13,017	38,326
Decrease/(increase) in trade receivables	(37,564)	(10,756)
Decrease/(increase) in inventories	(3,749)	(9,686)
Decrease/(increase) in other assets	6,582	(30,798)
Decrease/(increase) in other financial assets	96,739	(10,254)
Cash generated from operations	1,92,153	70,706
Direct taxes paid (net of refunds)	25,617	4,575
Net cash flow from/(used in) operating activities (A)	1,66,536	66,131
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, Intangible assets, including intangible assets under development, CWIP and capital advances	(60,871)	(21,434)
Movements in other bank balances	(3,028)	(10,600)
Loans to staff	10	274
Interest received	11,608	5,470
Dividend income	165	110
Proceeds from sale of NSC bonds	-	36
Net cash flow from/(used in) investing activities (B)	(52,117)	(42,144)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	11,617	9,783
Interest paid	(6,874)	(7,003)
Payment of lease liability	(155)	(129)
Dividends paid including interim dividend	(1,30,000)	-
Net cash flow from/(used in) financing activities (C)	(1,25,392)	2,151
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(10,973)	26,138
Cash and cash equivalents at the beginning of the year	39,871	13,734
Cash and cash equivalents at the end of the year	28,899	39,872
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	1
Balances with scheduled banks	-	-
With current accounts	28,898	39,871
Total cash and cash equivalents (Note 11)	28,899	39,871

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicates outflow

b. The Cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report of even date

For and on behalf of the Board of Directors

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

Satish Kumar

Ch. Satish Kumar

Partner

Mem No. 229921



Mukesh Kumar Meena G. Rama Subbalakshmi

Managing Director Director

CGN: 21232593 DIN: 10515409

V.V.V. Phani Kumar

General Manager - F&A



Place : Vijayawada

Date : February 05, 2025 UDIN: 25229921 BMLEAZ-3052

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh-521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and defined benefit and other long term employee benefits that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period.





Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

### **Judgements**

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

### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.



### iii. Dividend

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

### iv. Interest Income

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### g. Property, plant and equipment

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining assets are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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





The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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



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

**Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.



Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The



provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the



commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.





**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.



The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.



**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the



cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**

**Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use assets for the year ended March 31, 2024**

Note - 3

(Rs. in Lakhs)

**Property, Plant And Equipment For The Year ended 31 03, 2024**

Particulars	Gross Block			Depreciation Block			Net Block	
	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Net block as at March 31, 2024	Net block as at March 31, 2023
Land	5,536	132	-	5,668	-	-	5,668	5,536
Quarries & Fucio Constructions	833	15	-	848	266	18	154	167
Mining Equipment	777	-	-	777	587	25	103	135
Furniture & Fixtures	184	135	-	319	149	33	147	45
Office Equipment	259	17	-	276	328	51	97	31
Data Processing Equipment	247	76	-	323	238	70	65	39
Vehicles	327	-	-	327	194	39	94	131
Tanks & Huts	112	15	-	127	57	57	40	51
Plant & Machinery	1,477	203	-	1,679	1,506	386	874	1,971
Leasehold building	255	-	-	255	242	-	13	13
<b>Total</b>	<b>11,637</b>	<b>593</b>	<b>-</b>	<b>12,229</b>	<b>3,466</b>	<b>639</b>	<b>7,210</b>	<b>8,171</b>
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-
<b>Total</b>	<b>11,637</b>	<b>593</b>	<b>-</b>	<b>12,229</b>	<b>3,466</b>	<b>639</b>	<b>7,210</b>	<b>8,171</b>
Previous year - 2022-23	8,644	2,962	12	11,637	2,999	476	8,121	5,687

\*As per directions of the Government of AP, corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasham, Chittoor, Ananthapuram and Srisakulam for supply of survey stones to the SSB&R department, Government of AP and engaged contractors on turnkey basis. Out of the four units, Ballikurava unit in Prakasham district has commenced operations in the year 2022-2023 and started production in the month of August, 2023. In view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Accordingly, an amount of Rs 914 CC lakhs has been recognised as an impairment costs.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Disposal / Adjustments / Transfer	Accumulated Depreciation as at March 31, 2024	Net block as at March 31, 2024	Net block as at March 31, 2023
Right of use asset	274	193	274	169	171	140	274	17	133	102
<b>Total</b>	<b>274</b>	<b>193</b>	<b>274</b>	<b>169</b>	<b>171</b>	<b>140</b>	<b>274</b>	<b>17</b>	<b>133</b>	<b>102</b>
Previous year - 2022-23	333	185	245	274	290	119	239	121	102	42





### Notes 3.2 Capital work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	914	1,144
Add: Additions during the year	539	5,435
Less: Transferred to Property, Plant & Equipment	193	5,665
Closing Gross Carrying Value	1,261	914
Accumulated Impairment Allowance		
Balance at the beginning of the year	-	-
Add: Additions during the year	705	-
Closing Accumulated Impairment Allowance	705	-
Closing net carrying value	556	914

### Capital work in progress Ageing Schedule as at 31.03.2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	216	140			556
Projects temporarily suspended	130	356	209		705

### Capital work in progress Ageing Schedule as at 31.03.2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	705	209			914
Projects temporarily suspended					

As per directions of the Government of AP, Corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Anantapuram and Srikakulam for supply of curvey stones to the SS&R department, Government of AP and finalised contractors on turnkey basis. Out of the four units, Balakrishna unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining Three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs 705.00 akhs has been recognised as an impairment costs.

### 3.3 Intangible Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software	345	2
Decommissioning Assets	5,570	8,081
Winning Infrastructure Assets	1,54,642	1,48,905
Winning Infrastructure Assets - R&R - Mpet	11,349	-
<b>Total</b>	<b>1,95,406</b>	<b>1,56,987</b>

### A. Computer Software

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	34	34
Add: Additions during the year	380	0
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	422	34
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	12	31
Add: Additions during the year	45	1
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	77	32
Net carrying value	345	2

### B. Decommissioning Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	8,345	8,345
Add: Additions during the year	-	0
Less: Disposals/ adjustments/transfer	1,161	-
Closing Gross Carrying Value	7,184	8,345
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	764	83
Add: Additions during the year	349	175
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	613	264
Net carrying value	6,570	8,081



C.Mining Infrastructure Assets		
Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	1,51,578	1,36,100
Add: Additions during the year	13,434	15,578
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	1,65,112	1,51,678
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	2,774	29
Add: Additions during the year	7,536	2,744
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,470	2,774
Net carrying value	1,54,642	1,48,905

Corporation has incurred an amount of Rs 1,51,678 lakhs till the end of previous financial year on its Suliari coal mine project and same has been capitalised under mining infrastructure assets. Additionally, during the current year an amount of Rs 13,434 lakhs has been capitalised and amortised based on the unit of production method.

D.Mining Infrastructure - R&R - Mpet		
Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	-	-
Add: Additions during the year	44,513	-
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	44,513	-
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	10,664	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,664	-
Net carrying value	33,849	-

Corporation has paid an amount of Rs 44,513 lakhs from time to time to the district administration towards R&R costs in connection with the Mangampet barytes project. During the year, this amount has been capitalised under intangible assets - R&R Mangampet and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.

#### 3.4 Exploration intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	6,316	4,031
Add: Additions during the year	2,590	2,945
Less: Disposals/ adjustments/transfer	-	660
Closing Gross Carrying Value	8,906	6,316
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	-	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	-	-
Net carrying value	8,906	6,316

#### Exploration intangible assets under development Ageing schedule as at 31.03.2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,285	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,906

#### Exploration intangible assets under development Ageing schedule as at 31.03.2023

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,285	4,031	-	-	6,316
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					6,316



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at March 31, 2024	As at March 31, 2023
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s.APMDC - SCCL suriyar coal company limited		
	5,100 equity shares (March 31, 2024: 5,100) of Rs 10/- each	1	1
	fully paid up	(1)	(1)
	Less: Provision made for diminution in the value of shares		
	ii. M/s. Nuzgaon coal company limited		
	3,000 equity shares (March 31, 2024: 3,000) of Rs 100/- each	60	60
	fully paid up	(60)	(60)
	Less: Provision made for diminution in the value of shares		
	iii. M/s.Andhra phosphate (P) Ltd		
	1,110 equity shares (March 31, 2024: 1,100) of Rs.1,000/-	11	11
	each fully paid up	(11)	(11)
	Less: Provision made for diminution in the value of shares		
	iv. M/s.Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2024: 56,100) of Rs 10/- each	6	6
	fully paid up	(6)	(6)
	Less: Provision made for diminution in the value of shares		
	Investment in Associates		
	v. M/s. Aswani mineral development private limited.		
	65,000 equity shares (March 31, 2024: 65,000) of Rs 10/- each	7	7
	fully paid up	(7)	(7)
	Less: Provision made for diminution in the value of shares		
	vi. M/s SPAP minerals private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each	33	33
	fully paid up	(33)	(33)
	Less: Provision made for diminution in the value of shares		
	vii. M/s. Arham mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each	13	13
	fully paid up	(13)	(13)
	Less: Provision made for diminution in the value of shares		
	viii. M/s. Isha mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each	13	13
	fully paid up	(13)	(13)
	Less: Provision made for diminution in the value of shares		
	ix. M/s. Mangasree granites private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each	13	13
	fully paid up	(13)	(13)
	Less: Provision made for diminution in the value of shares		
	x. M/s. Ongole mineral exports private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each	33	33
	fully paid up	(33)	(33)
	Less: Provision made for diminution in the value of shares		
	xi. M/s. RLP granite private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each	33	33
	fully paid up	(33)	(33)
	Less: Provision made for diminution in the value of shares		
	xii. M/s A.P coastal sands & metals private limited.,		
	11,000 equity shares (March 31, 2024: 11,000) of Rs 10/- each	1	1
	fully paid up	(1)	(1)
	Less: Provision made for diminution in the value of shares		
	xiii. M/s Andhra Pradesh tribal mining private limited		
	28,600 equity shares (March 31, 2024: 28,600) of Rs 10/- each	3	3
	fully paid up	(3)	(3)
	Less: Provision made for diminution in the value of shares		

ix. Sanyuktha Granites Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
x. Naandni Granites India Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
xi. Shanibhavi stones AP Private limited (Refer note.58) 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	
Investment in Joint Ventures		
ix. M/s A.P granites (india) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110	110
xii. M/s Alliance A.P. black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xix. M/s Pallavared granite private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xx. M/s Gieropa AP barytes beneficiation private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.10/- each fully paid up	0	0
Less: Provision made for diminution in the value of shares	(0)	(0)
xiii. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up	85	85
Less: Provision made for diminution in the value of shares	(85)	(85)
xiv. M/s Ancho Pradeshtin ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xv. M/s Thorex baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up	45	45
Less: Provision made for diminution in the value of shares	(45)	(45)
xvi. M/s Y.v. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
Investments measured at amortised cost		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	500	370
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	500	370
Aggregate amount of unquoted investments	576	576
Aggregate amount of impairment	71	71
Aggregate Provision made for doubtful investment		



5	Loans (Non-current)	As at March 31, 2024	As at March 31, 2023
	Loans and advances to employees		
	Unsecured, considered good	383	338
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>383</b>	<b>338</b>
6	Other financial assets (Non-current)	As at March 31, 2024	As at March 31, 2023
	Security Deposits		
	Unsecured, considered good	257	136
	Unsecured, considered doubtful	93	93
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>257</b>	<b>236</b>
	Balance in current accounts (Frozen)	204	198
	Bank Deposits with more than 12 months maturity	4,450	97,603
	Sweep accounts		809
	Deposit in Bank under Mine Closure account	1,754	554
	Unsecured, considered doubtful		
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>6,665</b>	<b>99,399</b>
Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened. During the current financial year an aggregate amount of Rs. 12.00 crores has been deposited totalling to Rs 37.54 crores at the year end and no interest has been received during the year.			
7	Deferred tax liability (Net)	As at March 31, 2024	As at March 31, 2023
	Deferred tax asset		
	Provision for decommissioning costs	2,353	2,672
	Provision for lease liability / assets	0	3
	Provision for bad & doubtful debts, investments & advances	3,441	2,819
	<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,257	1,879
	Investment	85	85
	Mining Infrastructure asset	8,607	3,119
	Mining Infrastructure Assets - R&R - Mpet	8,519	
	<b>Total deferred tax liability</b>	<b>18,468</b>	<b>5,083</b>
	<b>Net deferred tax (asset)/liability</b>	<b>12,663</b>	<b>(211)</b>
8	Other non-current assets	As at March 31, 2024	As at March 31, 2023
	A) Capital advances		
	Unsecured, considered good	2,696	2,394
	Unsecured, considered Doubtful	2,654	260
	Less: Provision for doubtful advances	(2,654)	(260)
	<b>Total</b>	<b>2,696</b>	<b>2,394</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,075	22,736
	Unsecured, considered Doubtful	5,112	4,935
	Less: Provision for doubtful advances	(5,212)	(4,935)
	<b>Total</b>	<b>14,075</b>	<b>22,736</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	26,257	31,812
	Unsecured, considered Doubtful	1,882	1,988
	Less: Provision for doubtful advances	(1,982)	(1,988)
	<b>Total</b>	<b>26,257</b>	<b>31,812</b>
	D) Prepaid expenses	648	-
	<b>Total (A+B+C+D)</b>	<b>43,676</b>	<b>62,962</b>





9	Inventories	As at March 31, 2024	As at March 31, 2023
	Finished goods (Refer Note 53)	10,606	18,397
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	135	93
	<b>Total</b>	<b>20,731</b>	<b>18,482</b>
	Method of valuation: Refer Note no. 2(i) of Financial accounting policies		
10	Trade receivables (Current)	As at March 31, 2024	As at March 31, 2023
	Unsecured, considered good	13,843	55,760
	Unsecured, considered credit impaired	3,417	5,524
	Less: Impairment allowance for doubtful debts	(13,417)	(3,524)
	Unbilled Receivables	721	4,217
	<b>Total</b>	<b>74,564</b>	<b>37,477</b>
	Refer Note no 61		
11	Cash and cash equivalents	As at March 31, 2024	As at March 31, 2023
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	28,898	39,871
	Cash on hand	1	1
	(A)	<b>28,899</b>	<b>39,871</b>
	Other bank balances		
	Fixed deposits against bank guarantees	11,233	8,706
	Deposits with APSPFPI	55,500	55,500
	(B)	<b>66,733</b>	<b>63,705</b>
	<b>Total</b>	<b>95,632</b>	<b>1,03,576</b>
12	Loans (current)	As at March 31, 2024	As at March 31, 2023
	Vehicle loans to staff		
	Secured, considered good	14	27
	Unsecured, considered good		
	Loan to AP state Fisheries Limited & Machilipatnam Urban Development Authority. Refer Note: 49 & 50	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	62	109
	<b>Total</b>	<b>30,076</b>	<b>30,131</b>
13	Other Financial assets (Current)	As at March 31, 2024	As at March 31, 2023
	Interest accrued on deposits		
	Unsecured, considered good	1,283	5,287
	Less: Provision for the doubtful portion	(244)	(244)
	<b>Total</b>	<b>1,038</b>	<b>5,043</b>
14	Other current assets	As at March 31, 2024	As at March 31, 2023
	A) Advances receivable		
	Unsecured, considered good	745	604
		<b>745</b>	<b>604</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	27,555	14,215
	Prepaid expenses	940	1,785
	Others	190	150
	<b>Total</b>	<b>28,735</b>	<b>16,171</b>
	<b>Total</b>	<b>29,490</b>	<b>16,775</b>



15	Equity share capital	As at March 31, 2024	As at March 31, 2023
	Authorized share capital: 1,00,000 equity shares of Rs 1,000/- each (March 31, 2024 - 1,00,000 equity shares of Rs 1,000/- each)	1,000 1,000	1,000 1,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs 1,000/- each fully paid up (March 31, 2024 - 63,062 equity shares of Rs 1,000/- each)	631 631	631 631
<b>15.1 Additional notes</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at March 31, 2024	As at March 31, 2023
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>15.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>15.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the share holder	As at March 31, 2024	As at March 31, 2023
	Governor of the Andhra Pradesh represented by assistant secretary to Government (Mines) Industries & Commerce department	63,059 (99.995%)	63,059 (99.995%)
<b>15.4 Details of Shareholding of Promoters</b>			
	Name of the share holder	As at March 31, 2024	As at March 31, 2023
	Governor of the Andhra Pradesh represented by Assistant secretary to Government (Mines) Industries & Commerce department	63,059 (99.995%)	63,059 (99.995%)
16	Other equity	As at March 31, 2024	As at March 31, 2023
	Capital reserves		
	Free ride equity shares for consideration other than cash allotted by		
	i. M/s. Aswani mineral development private limited 65,000 equity shares (March 31, 2024 - 65,000) of Rs 10/- each Fully paid up	7 7	7 7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	ii. M/s. SR&P minerals private limited 3,25,000 equity shares (March 31, 2024 - 3,25,000) of Rs 10/- each Fully paid up	33 (33)	33 (33)
	Less: Provision made for diminution in the value of shares		
	iii. Aiham mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs 10/- each Fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	iv. Aiham mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs 10/- each Fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	v. Megha-ee grandes private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs 10/- each Fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		



vi. Ongole mineral exports private limited 3,25,000 equity shares(March 31, 2024- 3,25,000) of Rs. 10/- each fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
vii. R.P granite private limited 3,25,000 equity shares(March 31, 2024- 3,25,000) of Rs. 10/- each fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
viii. M/s A.P granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s Alliance A.P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
x. M/s Pallavaram granites private limited 1,10,000 equity shares(March 31, 2024- 1,10,000) of Rs. 100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xi. M/s A.P coastal sands & metals private limited, 13,000 equity shares(March 31, 2024- 13,000) of Rs. 10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xii. M/s Ongole iron ore mining company private limited 55,100 equity shares(March 31, 2024- 55,100) of Rs. 10/- each fully paid up	6	6
Less: Provision made for diminution in the value of shares	(6)	(6)
xiii. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024- 1,320) of Rs. 10/- each fully paid up	0	0
Less: Provision made for diminution in the value of shares	(0)	(0)
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024- 8,52,500) of Rs. 10/- each fully paid up	85	85
Less: Provision made for diminution in the value of shares	(85)	(85)
xv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024- 6,850) of Rs. 10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xvi. M/s Tirumala baryte private limited 4,50,000 equity shares(March 31, 2024- 4,50,000) of Rs. 10/- each fully paid up	45	45
Less: Provision made for diminution in the value of shares	(45)	(45)
xvii. M/s V.V Minerals private limited 1,100 equity shares(March 31, 2024- 1,100) of Rs. 100/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xviii. Samyutha Granite Private limited 13,00,000 equity shares (March 31, 2024- 13,00,000) of Rs. 10/- each fully paid up	130	130



<p>ix. Kaandhi Granites India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 10/- each fully paid up</p> <p>x. Shambhavi Stones AP Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 10/- each fully paid up</p>	130	130
	130	
	500	370
Other comprehensive income		
Opening balance	(430)	(136)
Other comprehensive income for the year	(15)	(74)
Add/(Less): Transferred from/(to) retained earnings		
Closing balance	(445)	(430)
Reserve for bad and doubtful debts		
Opening balance	2,147	1,531
Add/(Less): Transferred from/ to profit and loss account	2,741	616
Closing balance	4,889	2,147
General reserve		
Opening balance	17,019	17,019
Closing balance	17,019	17,019
Retained earnings		
Opening balance	3,00,072	2,44,266
Add/(Less): Profit for the year	1,06,119	55,782
	4,10,151	3,00,048
Less: Appropriations		
Reserve for bad and doubtful debts	1,741	616
Interim Dividends	1,10,000	
Total appropriations	1,11,741	616
Closing balance	2,77,409	3,00,032
Total	3,99,373	3,23,130

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

17	Borrowings	As at March 31, 2024	As at March 31, 2023
	Rupee Term Loan from Banks - Secured From State Bank of India	55,974	49,075
	Total	55,974	49,075

Term Loan of Rs 918 Crores availed from State Bank of India, Industrial Finance Bank, Guntur with ROI of (MLR+0.25%); 6 months MCLR for Development of Sujyari Chal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on future cash flows of the company. This loan is repayable through monthly installment of Rs 9 crores in 7 years 10 months. The company has been regular in repayment of principal and interest on due dates.



18	Other financial liabilities (Non-current)	As at March 31, 2024	As at March 31, 2023
	Expenses payable against infrastructure development	1,483	1,208
	Deposits	173	173
	Others	4,475	35,166
	<b>Total</b>	<b>6,131</b>	<b>36,547</b>

19	Provisions (Non-current)	As at March 31, 2024	As at March 31, 2023
	Provision for employee benefits		
	Provision for gratuity	65	191
	Provision for others		
	Provision for decommissioning cost *	9,388	9,822
	<b>Total</b>	<b>9,453</b>	<b>10,012</b>

\* Refer Note no 62

20	Other non-current liabilities	As at March 31, 2024	As at March 31, 2023
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>

21	Borrowings (Current)	As at March 31, 2024	As at March 31, 2023
	Rupae Term loan from Banks - Secured		
	from State Bank of India		
	Current maturities term loan	10,800	10,800
	Cash Credit	4,698	-
	<b>Total</b>	<b>15,498</b>	<b>10,800</b>

Term Loan of Rs 913 Crores availed from State Bank of India, Industrial Finance Bank, Guwahati with RCM of (MCLR+0.25%) & 6 months MCLR for Development of Sulyan Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly instalment of Rs 9 crores in 9 years 10 months. The company has been regular in repayment of principal and interest on due dates.

Cash Credit Limit of Rs 100 crores with RCM of (MCLR+0.25%) & 6 months MCLR availed on 10/09/2023 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (Both Present & Future) of the company.

22	Particulars	As at March 31, 2024	As at March 31, 2023
	Lease liability (Refer note no 59)	134	113
	<b>Total</b>	<b>134</b>	<b>113</b>

23	Trade payables (Current)	As at March 31, 2024	As at March 31, 2023
	Trade payables (Refer Note 61)		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	19,427	18,168
	<b>Total</b>	<b>19,427</b>	<b>18,168</b>

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below

Particulars	As at March 31, 2024	As at March 31, 2023
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.





24	Other Financial liabilities (Current)	As at March 31, 2024	As at March 31, 2023
	Salaries & other benefits payable	142	120
	Earnest money and security deposits from customers	19,222	21,157
	Other financial liabilities	4,649	16,546
	Total	23,913	37,823
25	Other current liabilities	As at March 31, 2024	As at March 31, 2023
	Advance from customers	28,090	29,601
	Statutory liabilities	13,853	15,145
	Other liabilities		180
	Total	57,943	44,926
26	Current tax liabilities	As at March 31, 2024	As at March 31, 2023
	Provision for income tax	14,453	15,507
	Total	14,453	15,507



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2024	For the year ended March 31, 2023
	Sale of products		
	Barytes	1,43,304	1,33,420
	Coal	2,09,245	64,888
	Survey stones	27,545	8,189
	Sale of services		
	Consideration	3,966	3,694
	<b>Total</b>	<b>3,84,059</b>	<b>2,10,191</b>
28	Other Income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Interest income		
	Bank deposits	11,256	8,386
	Loans	2	1
	Others	137	907
	Income from investments		
	Dividend from M/S AP Granites/Mid west IP Ltd	165	110
	Other non operating income		
	Rent receipts	8	8
	Forfeiture of security deposit	875	230
	Other receipts (HSD Commission)	214	155
	Sale of tender documents	33	11
	Interest on delay in payment of minimum consideration	0	20
	Liabilities no longer required written back	71	54
	Penalties on buyers and millers	7	-
	Other miscellaneous income	123	48
	<b>Total</b>	<b>12,890</b>	<b>9,930</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2024	For the year ended March 31, 2023
	a) Opening stock of finished goods	18,397	8,719
		<b>18,397</b>	<b>8,719</b>
	b) Closing stock of finished goods	20,603	18,397
		<b>20,603</b>	<b>18,397</b>
	<b>Changes in inventories of finished goods</b>	<b>(2,207)</b>	<b>(9,678)</b>
30	Employee benefit expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
	Salaries and wages	3,814	3,795
	Contribution to provident fund and other funds	989	880
	Staff welfare expenses	451	489
	<b>Total</b>	<b>5,254</b>	<b>5,164</b>
31	Finance costs	For the year ended March 31, 2024	For the year ended March 31, 2023
	Unwinding of discount on provision	804	701
	Interest on lease liability	8	13
	Interest	6,331	6,989
	Other interests	535	846
	<b>Total</b>	<b>7,678</b>	<b>8,550</b>



32	<b>Depreciation and Amortization expense</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Depreciation of Property, Plant and Equipment	639	476
	Amortization of intangible assets	18,754	2,922
	Depreciation on right of use assets	140	119
	Impairment expenses	1,619	-
	<b>Total</b>	<b>21,152</b>	<b>3,517</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Power and Fuel	870	948
	<b>Total</b>	<b>870</b>	<b>948</b>
34	<b>Excavation and transport charges</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Excavation & transport charges for run of mine	6,120	6,545
	Excavation & transport charges for overburden	37,392	37,658
	Excavation of coal & OB Removal	66,376	12,068
	<b>Total</b>	<b>1,09,889</b>	<b>76,271</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Rents	11	71
	Repairs & maintenance	165	263
	Insurance	10	13
	<b>Rates and taxes</b>		
	Royalty	30,505	13,962
	DMF	5,109	3,565
	NMET	610	322
	Cess	624	558
	Reserve price	20,212	6,343
	MPGSVA Exp	7,218	2,265
	Forest tax coal exp	2,868	810
	Other rates and taxes	564	384
	<b>Administrative and Selling Expenses</b>		
	Operating expenses	766	128
	Purchase of survey stones	24,574	7,272
	Discount on sales	-	335
	Transport and wagon loading charges	1,144	591
	Selling expenses	346	687
	Prospecting & Mining Lease expenses	938	705
	Office & General expenses	1,926	1,685
	Payment to auditors (refer note no 35.1)	13	10
	Audit fee for other auditors	25	11
	Printing & stationery	70	77
	Corporate Social Responsibility Expenses (Refer Note No 47)	3,545	2,054
	Remuneration to outsourced services	4,966	5,014
	Bad & Doubtful Depts	476	-
	Assets written off	-	662
	Provision for doubtful advances	2,571	3,146
	Data processing charges	73	67
	Rehabilitation expenses	1,298	7,238
	Donations	-	503
	Miscellaneous expenditure	31	27
	<b>Total</b>	<b>1,10,757</b>	<b>53,716</b>



35.1	Payment to Auditors	For the year ended March 31, 2024	For the year ended March 31, 2023
	Statutory audit Fee	13	10
	<b>Total</b>	<b>13</b>	<b>10</b>

### 35 Income Tax

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current Tax Expenses :</b>		
Current income tax charge	24,563	19,640
<b>Total (A)</b>	<b>24,563</b>	<b>19,640</b>
<b>Deferred Tax Expenses.</b>		
In respect of current year origination and reversal of temporary differences	12,874	2,712
<b>Total (B)</b>	<b>12,874</b>	<b>2,712</b>
<b>Total (A+B)</b>	<b>37,438</b>	<b>21,852</b>

### Other Comprehensive Income

Items that will not be reclassified to P&L	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement of defined benefit plan loss/gain		
Gratuity	(75)	(139)
Leave encashment	60	(185)
<b>Total</b>	<b>(15)</b>	<b>(324)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(loss) before tax as per statement of profit and loss	1,43,556	81,634
Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
computed tax expense	36,130	20,546
<b>Tax effect of :</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	12,874	2,712
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	392	517
b) Change in depreciation & Amortisation	(13,210)	(4,072)
c) Provision for doubtful items	647	792
d) Other items	104	858
<b>Total income tax expense for the year</b>	<b>37,438</b>	<b>21,852</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2024	As at 31.03.2023
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,547
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.  The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>85,765</p> <p>13,228</p>	<p>73,469</p> <p>12,296</p>
Vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and remining un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>2,262</p>



B	Contingent liability on BG's: Bank guarantees furnished to different Authorities on behalf of the company.	80,274	80,274
C	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2023-2024, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
Less: Share of TSMDC		-	(311)	-
Share of APMDC		-	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	500	-	500
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other bank balances	-	-	66,733	-	66,733
Other financial assets	-	75	7,628	-	7,703
<b>Total</b>		<b>75</b>	<b>2,08,783</b>	<b>-</b>	<b>2,08,858</b>
<b>Financial liabilities:</b>					
Borrowings	-	-	-	71,472	71,472
Lease Liability	-	-	-	134	134
Trade payables	-	-	-	19,437	19,437
Other financial liabilities	-	-	-	29,143	29,143
<b>Total</b>				<b>1,20,186</b>	<b>1,20,186</b>

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	370	-	370
Loans	-	-	30,470	-	30,470
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	39,871	-	39,871
Other Bank balances	-	-	63,705	-	63,705
Other Financial assets	-	73	1,04,369	-	1,04,442
<b>Total</b>		<b>73</b>	<b>2,76,262</b>	<b>-</b>	<b>2,76,335</b>



<b>Financial Liabilities:</b>					
Borrowings	-	-	-	59,835	59,835
Lease Liability	-	-	-	113	113
Trade payables	-	-	-	18,468	18,468
Other financial liabilities	-	-	-	74,370	74,370
<b>Total</b>				<b>1,52,787</b>	<b>1,52,787</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2023-24	2022-23
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2023-24	2022-23
Ageing	<12 Months	<12 Months
Gross carrying amount	74,564	37,477
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	74,564	37,477

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below



#### **i. Commercial risk**

##### **a. Sale price risk**

Particulars	Impact on profit	
	2023-24	2022-23
Selling price increase by 5%		
Barytes& Coal	17,627	9,915
Survey Stones	1,377	409
Selling price decrease by 5%		
Barytes& Coal	(17,627)	(9,915)
Survey Stones	(1,377)	(409)

##### **b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2023-24		2022-23	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(306)	306	(327)	327
Excavation & transport charges for overburden	(1,870)	1,870	(1,883)	1,883
Excavation of Coal & OB Removal	(3,319)	3,319	(1,603)	1,603

#### **40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2024**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>





As at 31st March 2023

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>152,787</b>	<b>152,787</b>	<b>67,205</b>	<b>85,582</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2024	As at 31-03-2023
Employers contribution to provident fund	173	178
Employers contribution to pension fund	78	62

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March 2023

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	694	546	706	498
Service cost	17	19	27	29
Interest expenses	47	38	52	35
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(139)	(44)	(36)	(36)
Remeasurements - actuarial (gains)/losses	65	134	(67)	178
<b>Benefit obligations at the end</b>	<b>684</b>	<b>694</b>	<b>682</b>	<b>706</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	503	510	822	801
Interest income	41	36	61	57
Employer contributions	224	5	6	5
Benefit payments from plan assets	(139)	(44)	(36)	(36)
Actuarial gain / (loss) on plan assets	0	0	(7)	(6)
<b>Benefit obligations at the end</b>	<b>619</b>	<b>503</b>	<b>845</b>	<b>822</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
PV of obligations at the end of the year	684	694	682	706
Fair value of plan assets at the end of the year	619	503	845	822
Liability (+) / Asset (-) recognised in the balance sheet	65	191	(164)	(116)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2024	For the year ended 31-03-2023
Service cost	17	19	27	29
Interest expenses	6	2	(9)	(22)
<b>Net expense recognised</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>7</b>



iv. Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Actuarial (gain)/losses on obligations for the period	65	134	(67)	178
Actuarial (gain)/losses on plan assets for the period	10	5	7	6
<b>Net expense recognised</b>	<b>75</b>	<b>139</b>	<b>(60)</b>	<b>184</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Rate of discounting	7.21%	7.52%	7.21%	7.52%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.06%	13.29%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Expected cash flow in year 1	104	107	153	191
Expected cash flow in year 2	65	99	122	127
Expected cash flow in year 3	70	62	101	103
Expected cash flow in year 4	76	66	91	83
Expected cash flow in year 5	88	77	94	76
Expected cash flow in year 6	32	83	49	80
Expected cash flow in year 7	147	31	84	40
Expected cash flow in year 8	66	142	44	71
Expected cash flow in year 9	8	62	21	35



Expected cash flow in year 10	85	7	54	17
Expected cash flow in year 11+	485	525	123	142

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. in Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	684	694	0.00%	0.00%
Salary escalation - up by 1%	707	713	2.65%	2.75%
Salary escalation - down by 1%	664	672	-2.91%	-3.16%
Withdrawal rates - up by 1%	691	700	0.96%	0.91%
Withdrawal rates - down by 1%	677	687	-1.07%	-1.02%
Discount rates - up by 1%	645	656	-5.73%	-5.52%
Discount rates - down by 1%	729	737	6.52%	6.26%
Mortality rates - up by 10%	684	694	0.05%	0.05%
Mortality rates - down by 10%	684	693	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. in Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	682	706	0.00%	0.00%
Salary escalation - up by 1%	712	735	4.40%	4.10%
Salary escalation - down by 1%	654	678	-4.10%	-3.90%
Withdrawal rates - up by 1%	687	706	0.00%	0.00%
Withdrawal rates - down by 1%	682	705	0.00%	-0.10%
Discount rates - up by 1%	658	683	-3.50%	-3.20%
Discount rates - down by 1%	707	730	3.70%	3.50%
Mortality rates - up by 10%	682	706	0.00%	0.00%
Mortality rates - down by 10%	682	706	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.



#### x. Liability risks

##### a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 42. Earnings per share (EPS)

Particulars	As at	As at
	31-03-2024	31-03-2023
Profit after tax before exceptional items	106,119	59,782
Add: exceptional items	-	-
Profit after tax after exceptional items	106,119	59,782
Profit available for equity shareholders	106,119	59,782
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	168,276.58	94,799.44
Basic and diluted earnings per share (In Rupees) – after exceptional item	168,276.58	94,799.44

#### 43. Segment Information

##### i. Description of segment and principal activities

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### ii. Segment revenue and expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### iii. Segment assets and liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.





**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.2,36,138 Lakhs is derived from four customers (P.Y 1,40,544 Lakhs from five customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2023-24**

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	3,56,515	-	27,545	3,84,059
<b>Total segment revenue</b>	<b>3,56,515</b>	<b>-</b>	<b>27,545</b>	<b>3,84,059</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,772	12,772
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
<b>Profit before exceptional items and tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,537)</b>	<b>1,43,556</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,537)</b>	<b>1,43,556</b>
Income tax - Current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
<b>Profit after tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(65,975)</b>	<b>1,06,118</b>
<b>Other Information</b>				
Segment assets **	2,87,044	15,273	2,12,637	5,14,954
Segment liabilities **	1,56,962	3,696	54,295	2,14,952
Capital work in progress	539	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152



Non-cash expense other than depreciation and amortisation	-	3,851	<b>3,851</b>
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\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment

**Note.** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2022-23**

Particulars	For the year ended 2022-23		
	Mining projects	Sand operations	Unallocated
<b>Segment revenue</b>			
External revenue *	2,02,002	-	8,189
<b>Total segment revenue</b>	<b>2,02,002</b>	<b>-</b>	<b>8,189</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23		
	Mining projects	Sand operations	Unallocated
<b>Segment results</b>			
<b>Profit/(Loss)</b>	<b>97,984</b>	<b>-</b>	<b>97,984</b>
Unallocated other income	-	-	9,041
Unallocated expenses and finance cost	-	-	(25,391)
<b>Profit before exceptional items and tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,350)</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,350)</b>
Income tax - Current	-	-	19,640
Deferred tax	-	-	2,212
<b>Profit after tax</b>	<b>97,984</b>	<b>-</b>	<b>(38,202)</b>
<b>Other information</b>			
Segment Assets **	2,17,255	16,166	3,13,834
Segment Liabilities **	1,45,060	8,861	69,565
Capital work in progress	332	-	582
Depreciation and amortisation	3,329	886	177
Non-cash expense other than depreciation and amortisation	-	-	3



**44. Related party transactions****A. List of related parties**

Name of the related party	(% of holding)	
	As at 31-03-2024	As at 31-03-2023
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandh Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	-

**Key Management Personal:**

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFI	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation limited- APSFSC	
The Commissioner SS&LR Department	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,592
Naandhi Granites India Private limited	175
Samyuktha Granite private limited	71
The Commissioner SS&LR Department	27,545

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Andhra Pradesh granite (Midwest) private limited	751	274
Naandhi Granites India Private limited	175	-
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	41,757	5,126

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2024	As at 31-03-2023
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2024	As at 31-03-2023
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Sujyari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77



<b>Investment in joint ventures</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Aswani mineral development private limited	7	7
Aham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Mangasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	3	12

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500





**vii. Advance to related parties**

Name of the related party	As at	As at
	31-03-2024	31-03-2023
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	3,098

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations



Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.30.54 crores against pending payables recognised in previous years.

#### 46. Deferred tax asset /(liability)

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,363	2,472
Provision for lease liability	-	3
Other provisions	3,441	2,819
<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,257	1,879
Investments	85	85
Mining Infrastructure Assets	8,607	3,119
Mining Infrastructure Assets R&R – M'pet	8,519	-
<b>Total deferred tax liability</b>	<b>18,468</b>	<b>5,083</b>
<b>Deferred tax asset /(liability) – net</b>	<b>12,663</b>	<b>(211)</b>

#### 47. CSR Expenditure

- a. Gross amount required to be spent by the company during the year is Rs.944 (Previous Year Rs 716).
- b. Amount spent during the year

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Construction/ acquisition of any assets		
Purpose other than above	3,545	2,054

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable



- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction : Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 3,545 lakhs (PY Rs. 2,054 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year should be shown separately: Nil.

#### **48. Treatment of demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.



- i. The approval of the Telangana State Government is still pending. VC&MD, APMDCL has addressed TSMDC vide Lr. No. APMDCL/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants			
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits - BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### Interim division of funds in current accounts, fixed deposits, sweep accounts

During the year a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDC on 29<sup>th</sup> January, 2024 and as per terms of the MOU, both APMDCL and TSMDC have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio.





Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs.1,393.43 crores and same has been distributed in the population ratio i.e. APMDCL @58.32% and TSMDCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCL respectively, vide Memo No.4354/M.I(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines.I) Department, Government of Telangana.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.





Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDCL.



It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

## **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

## **53. Non valuation of inventory**

### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (62.34 lakhs MTs) is considered without value.

### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.



As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s.Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2024 is 1.56 lakh MT's (including 501 MTs of Grade – 1) which the company has not valued.

#### c. Inventory of survey stones

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-03-2024.

#### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
<b>Total</b>		<b>1,842.91</b>

#### 55. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSF5CL)

Company has received a letter from APSF5CL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSF5CL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-03-2024 for which deposit certificates have been obtained from the APSF5CL. APMDCL has received interest regularly till 31-03-2024 and during the year APMDCL has not withdrawn any amounts deposited with the APSF5CL and confirmation of balance has been obtained.



## **56. Note on Survey Stones**

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDC with the responsibility of procurement and supply of survey stones to meet the requirement of SS&LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.

## **57.Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020.

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No 103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.





## 58. Joint ventures

Corporation has executed Joint venture agreements for development of black galaxy granite deposits in prakasam district from time to time and as per agreement terms following associate is incorporated and free ride equity shares were allotted and details of same is as under.

Sl.no	Name of the associate	No of shares allotted	% of holding	Nature of shares
1	Shambhavi Stones AP Private limited	13,00,000	26%	Equity

The above equity shares were allotted as free ride equity shares as per respective joint venture agreements executed by the corporation with the agencies. Further, transactions with these parties are mentioned in the relative section of related party transactions – note 44

## 59. Leases (Ind AS 116)

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the year ended March 31, 2024:

- (i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the year ended March 31, 2024.

### (ii) Movement in Lease liability with Current/Non-Current break-up:

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	113	53
Additions during the year	167	185
Finance cost accrued during the period	8	13
Payment of lease liabilities	155	138
Balance at the closing of the year	134	113

### Amounts recognised in profit or loss

Particulars	As at 31-03-2024	As at 31-03-2023
Interest expenses	8	13
Depreciation charge for right-of-use assets	140	119

Contractual maturity analysis of undiscounted lease liabilities is given below:

### Maturity Analysis of lease liabilities (undiscounted):

Particulars	As at 31-03-2024	As at 31-03-2023
Less than one year	134	113





#### 60. Note on provision for decommissioning

Name of the project	As at 31-03-2023	Provision made during the year	Provision reversed during the year	As at 31-03-2024
Mangampet-Barytes	686	57	71	672
Balclay	36	3	8	31
Mangampet - Dolomite	595	49	61	583
Suliyar - Coal	8,470	683	1,086	8,067
<b>Total</b>	<b>9,787</b>	<b>792</b>	<b>1,226</b>	<b>9,353</b>

During the year 2023-24, Mine closure plan provision was re-assessed in respect of barytes mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 71 lakhs. Out of which, an amount of Rs. 8 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance of Rs. 63 lakhs is withdrawn and credited to Profit and Loss of the Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of Bal. clay mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 8 lakhs. Out of which, an amount of Rs. 6 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance Rs. 2 lakhs is withdrawn and credited to Profit and Loss of Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of Dolomite mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 61 lakhs. Out of which, an amount of Rs.61 lakhs is adjusted against the Gross amount of Decommissioning Asset in Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of coal mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 1,086 lakhs. This amount is adjusted against decrease in the value of Decommissioning Asset in the Current Year.

61. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

#### 62 Analytical Ratios

The following are analytical ratios for the year ended 31<sup>st</sup> March, 2024.

Sl.no	Particulars	Numerators	Denominators	31-03-24	31-03-23	Variance (In %)
1	Current Ratio	Current Assets	Current Liabilities	1.93	1.66	16.34%
2	Debt -Equity Ratio (*1)	Total Debt	Shareholders' funds	0.24	0.18	28.91%



3	Debt service (*2) coverage ratio	Earnings available for debt service	Debt services	10.36	6.15	68.65%
4	Return on equity (*3)	Profit after tax	Average shareholders fund	35.37%	18.46%	91.57%
5	Inventory (*4) turnover ratio	Cost of goods sold or sales	Average Inventory	19.7	15.5	27.04%
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	6.86	6.55	4.70%
7	Trade payable(*5) turnover ratio	Net credit purchases	Average trade Payables	7.09	5.61	26.50%
8	Net Capital (*6) Turnover Ratio	Net Sales	Working capital	3.17	2.51	26.57%
9	Net profit ratio	Net profit	Net sales	27.63%	28.44%	-2.85%
10	Return on capital employed (*7)	Earnings before interest and taxes	Capital employed	40.71%	23.51%	73.17%
11	Return on investment	Income from investments	Time weighted average investments	33%	30%	11%
12	Dividend (*8) payout Ratio	Total Dividend	Net income	122.52%	-	122.52%

(\*1,2,3,7,8) Due to payment of dividend

(\*4,5,6) Increase in Sullyari project and survey stones project sales and profitability.

### 63. Additional Information

#### a. Particulars of consumption of stores & spares

Particulars	Figures as at the end of March 31, 2024		Figures as at the end of March 31, 2023	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported				
Indigenous	165	100.00	263	100.00
<b>Total</b>	<b>165</b>	<b>100.00</b>	<b>263</b>	<b>100.00</b>



**b. Value of imports calculated on CIF basis and expenditure in foreign currency**

Particulars	(Rs.in. Lakhs)	
	31-03-2024	31-03-2023
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	-	-

**64. Non adoption of previous year financials at the general meeting by the Members**

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023 and 20<sup>th</sup> January, 2025 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023, the board of directors of the company in their meeting held on 5<sup>th</sup> February, 2025 approved the financial statements for the year ending 31<sup>st</sup> March, 2024.

In view of this, the reported amounts as on 31<sup>st</sup> March, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023. Necessary adjustments if any will be made in subsequent years.

**65. Payment of dividend**

During the year company has paid an interim dividend of Rs.400.00 crores for the financial year 2022-23 and Rs.900.00 crores for the financial year 2023-24.

**66. Additional Regulatory Disclosures.**

- There no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company has not been declared a willful defaulter by any bank or financial institutions.



- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.
- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts.
- h. The company uses an accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.
- i. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the financial year.

#### **67. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.



#### 68. General

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- d. All amounts have been reported in Rs. In lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0.50 lakhs.

**For M N RAO & ASSOCIATES**

Chartered Accountants

Firm Regn No.0053865

*Satish Kumar*

Ch.Satish Kumar

Partner

Mem No.229921



**for and on behalf of the board of directors**

*MV*

Mukesh Kumar Meena

Managing Director

DIN: 01232593

*G. Rama Subbaiah*

G. Rama Subbaiah

Director

DIN: 10915409

*V.V.V. Phani Kumar*

V.V.V. Phani Kumar

General Manager-F&A



**Place: Vijayawada**

**Date: February 05, 2025**

UDIN :- 2.5229921BMLFAZ3052





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**The Andhra Pradesh Mineral Development Corporation Limited**

### Report on the Audit of Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **The Andhra Pradesh Mineral Development Corporation Limited** ("hereinafter referred to as the "Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our Report, the aforesaid Consolidated Financial Statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

- In case of accompanying Consolidated Balance Sheet, of state of affairs of the Group as at 31<sup>st</sup> March 2024,
- In case of accompanying Consolidated Statement of Profit and Loss (including Other Comprehensive Income) of profit of the Group for the year ended on that date,
- In case of accompanying Consolidated Statement of Changes in Equity, and
- In case of accompanying Consolidated Statement of Cash Flows, of cash flows for the year ended on that date.

#### Basis for Qualified Opinion.

- We draw attention to Note No 46 of the consolidated financial statements where in the Group has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2024 and further reasons as detailed in Note No 46, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below



Sl.no	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL Suliari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Qualified Opinion (As stated in the report of Consolidated financial statements):

- Refer Note 48 of the accompanying Consolidated financial statements. Where the Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has paid & adjusted Fixed Deposits, Interest on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on Confirmation obtained from them vide Memo No 4354/M.I(1)/2018 dated 30-Jan-2024. The following balances still continue in the Consolidated Financial Statements, after adjustment of the afore Fixed Deposits. In the absence of information, we are not able to ascertain the impact of the following amounts:

Sl. No	Name of the ledger	Note no	Classification	Rs. in lakhs	Dr/Cr
1	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	2,630.94	Cr
2	Vijayawada (bank)	11	Cash and cash equivalents	203.92	Dr



3. The Holding company has accounted for interest on credit sales from customers amounting to Rs.1.17 Cr for the FY:2023-24. The basis for calculation of accounting interest on credit sales has not been provided. The contractual copies which contain the terms and conditions for levying interest have not been provided. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales for the FY: 2023-24. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
4. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, Extra shift depreciation as per Sch II is not being provided for equipment(s) which are continuously used in the mining operations.

5. **Non-Conformity with Ind AS 115 - Revenue from Contracts:**

The Holding Company has neither adopted nor disclosed the 5-step model specified in Ind AS 115 to account Revenue arising from contracts with customers which requires that the Revenue be recognized to an amount that reflects the consideration to which the Holding company expects to be entitled in exchange for transferring goods or services to a customer. However, the Revenue Recognition policy disclosed in Note 2(f) of the Significant Accounting Policies is not in line with Ind AS 115 Revenue from Contracts & Ind AS-1 Presentation of Consolidated Financial Statements.

i) **Recognition & Measurement - Grade Variance of Coal not adjusted to Revenue:**

As per Ind AS 115, Revenue has to be measured at Consolidated fair value of the consideration received or receivable taking into account contractually defined terms of payment. However, Grade Variances on account of quality difference in coal as per Clause 6 of Sale Agreement with Adani Power Limited (APL) for the FY: 2023-24 has not been adjusted to Revenue disclosed in Note 27 of the accompanying Consolidated Financial Statements, which constitutes a departure from Ind AS 115. Accordingly, Revenue & Profit are overstated by Rs.148 Cr (Basic Coal Value) for the FY: 2023-24.

ii) **Measurement – Statutory Levies included in Revenue:**

As per Ind As 115, transaction price “... is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, **excluding** amounts collected on behalf of third parties (for example, some sales taxes).” Revenue disclosed in Note 27 of the accompanying Consolidated Financial Statements is inclusive of all Statutory Levies excl. GSTs per Note 2(f) of the Significant Accounting Policies. As, inappropriate accounting policy cannot be rectified by disclosure, measurement of Revenue by incl. Statutory Levies, constitutes a departure from Ind AS 115. Accordingly, Revenue disclosed in Note 27 is overstated by Rs. 678.35 Cr and corresponding overstatement of Rates & Taxes (Note-35 Other Expenses) by Rs. 678.35 Cr for the FY: 2023-24.

iii) **Measurement - Survey Stones:**

As per G.O.Ms.No.33 dated 30-May-2023 of Mines & Minerals Department, in respect of supply of Survey Stones by APMDC “4(c) reimburse the expenditure incurred by Andhra Pradesh Mineral Development Corporation (M/s APMDC) for production and transportation of stones, along with service charge of 7% of the value of survey stones supplied.” i.e., Holding company receives Service charge of @ 7%. However, no accounting policy regarding revenue recognition & measurement criteria, pertaining to Survey Stones consequent to APMDC receiving only



Service Charge was disclosed, which is not in line with Para 117 of Ind AS-1 Presentation of Consolidated Financial Statements.

Out of the total Rs. 275 Cr Survey Stone Sales disclosed in Note 27 of the accompanying Consolidated Financial Statements, Rs. 267.3 Cr sale was made by Holding company on Service Charge basis. Instead of recognizing Revenue at Rs. 17.5 (7% Service Charge Income), APMDC has recognized the entire Rs. 267.3 Cr (Stone Purchase Cost + 7% Service Charge) as Revenue & corresponding expenditure of Rs. 249.8 (Stone Purchase Cost) Cr as Other Expenses disclosed in Note 35, which is not in line with the Ind AS 115, resulting in overstatement of Revenue & Other Expenses to the tune of Rs. 249.8 Cr for the FY: 2023-24.

**6. Loss Allowance for Expected Credit Losses / impairment as required under Ind AS 109:**

- a) The Holding company has stated in Note No.10 of the accompanying Consolidated financial statements that a total amount of Rs.738.4 Cr was outstanding towards unsecured trade receivable being considered good by the Management of the Holding company. In our opinion, receivables those beyond certain period as decided by the board and those disputed in courts (if any) should have been classified under the heads 'significant increase in credit risk' and 'credit impaired' and adequate loss allowance from profit before tax should have recognised for expected credit losses in accordance with Ind AS 109. This resulted in overstatement of profit and overstatement of trade receivables.
- b) Of the Rs.738.4 Cr trade receivables in Note 10, Rs.417.6 Cr is due from the Survey Settlements & Land Records (SS&LR) Dept., Govt. of Andhra Pradesh, for supply of survey stones by Holding company. These receivables are unsecured, and no guarantee is provided by the government. As per Sl. No. 4(d) of G.O.Ms.No.33 dt. 30-May-2023, payment should be made via adjustment bill to Holding company's PD account, but no funds were received in FY 2022-23 or FY: 2023-24. Management of the Holding company has not provided any expected Credit Losses on the same.
- c) Further, Out of the Rs.738.4 Cr trade receivables in Note 10, Rs. 152.4 Cr is due from Dept., of Mines and Geology, Andhra Pradesh towards sand operations carried on by the holding company as an agent during FY: 2022-23. These receivables are unsecured, and no guarantee is provided by the government. Management of the holding company has not provided any expected Credit Losses on the same.
- d) Further, Holding company has not provided the list of trade receivables which remain uncollected for more than 3 years and exceeded the limitation period for filing suit in the court, but where no legal case was filed for recovery.
- e) An amount of Rs.48.89 Cr only was kept under 'Reserve for Bad and Doubtful Debts' by the Holding Company as on 31-Mar-2024. We are of the opinion that the Holding Company should create adequate provision for loss allowance from profit before tax (instead of appropriation of after-tax profit as reserve) in accordance with Ind AS 109 for bad and doubtful trade receivables, and other recoverable.
- f) Balance confirmations are not obtained for the Trade receivables disclosed in Note 10 of the accompanying Consolidated Financial Statements, and the balances remained unreconciled. Further, holding company has no regular system to maintain ageing analysis of trade receivables. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.





7. There exists long outstanding credit balances towards advances received from customers, trade payables, security deposits payable, EMD Payable Penalty Suspense, Statutory Dues Payable, and Other deposits payable which are disclosed in Note No.18, 20, 23, 24 and 25 of the accompanying Consolidated financial statements and remain unpaid and unreconciled. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Even though, holding company has disclosed an accounting policy for de-recognition of financial liabilities which were discharged, expired or cancelled in accordance with Ind AS 109 in Note 2(x), the same is not being followed / implemented. The precise effect of consequential adjustments upon such confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
8. There exists long outstanding advances given to Govt. Departments, Deposits with Collectors, Security Deposits, amounts recoverable from vendors & customers, which are disclosed in Note No. 5, 6, 8, 12 & 14 of the accompanying Consolidated financial statements and remain outstanding and unreconciled. Further, confirmations / Utilization Certificate from Parties are also not available. Even though the holding company has disclosed an accounting policy for de-recognition of financial assets in accordance with Ind AS 109 in Note 2(x), & an accounting policy for impairment as per Ind AS 36 in Note 2(i), the same is not being followed / implemented. The precise effect of consequential adjustments upon such Utilization Certificate / confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
9. Refer Note 38, where the holding company has disclosed Classification of Financial Instruments as per Ind AS 109 as Amortized Cost & FVTPL. However, Loans and advances given to staff at concessional rate of interest, Trade Receivables, Trade Payables, Other Financial Assets & Other Financial Liabilities are not accounted at fair value and required disclosures have not been made as per Ind AS 109.
10. Note 35 Other expenses does not include Rs 132.28 Cr for the year and Rs 857.65 cr for previous years totalling to Rs 989.93 Cr payable by the holding company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT), as on reporting date though the company required to contribute 10% of the sales turnover to MERIT, which was formed by State Government (G.O.Ms. No 18 dated 13-Jan-2016) in place of Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. Rather, the liability towards the contribution is disclosed as contingent Liability in Note -37 to accounts quoting that holding Company requested (November 2019) the Government for exemption from contributing 10% of sales turnover and a fixed amount would be contributed. As per the latest information (Feb-2025) no exemption was granted by the State Government / MERIT. Hence suitable provision should have been recognised along with disclosures. Thus, non-recognition of provision should have been recognised along with disclosures. Thus, non-recognition of provision resulted in understatement of Other Expenses and Other current liabilities (Note-25) by 989.93 Cr each with consequent overstatement of the Profit for the year by the same amount.
11. The Holding Company has been generally filing Income Tax Returns based on Provisional Financials (incl. for the FY:2023-24) without fully complying with the provisions of the Income Tax Act. Refer Note 8, where the holding Company stated Corporate Tax Receivable amounting to Rs. 175.45 Cr which are pending on account of various disputes at different forums & Refer Note 26, where the holding company has stated Provision for Income Tax Payable amounting to Rs.144.53 Cr for previous years. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Any consequential effect on account of actual tax liability based on the Consolidated Audited financial statements of previous years on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.





Further, Holding company has recognized Current Tax & Deferred Tax for the FY: 2023-24 in the statement of profit & Loss based on internal assessment. The estimate of Provision for Current Tax & Deferred Tax is subject to change on completion of Tax Audit u/s 44AB of Income Tax Act based on Audited Financial Statements. The precise effect of consequential adjustments upon such allowances / disallowances on completion of Tax Audit, if any, on the Consolidated Financial Statements is not ascertainable.

12. The Board of Directors have declared Interim Dividend of Rs.400 Cr for the FY: 2022-23 & Rs.1,000 Cr for the FY: 2023-24 during Jan-24 & Feb-24. Out of the interim dividend declared amounting to Rs. 1,000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid as on date, leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.

Further, the Holding company has written off Suspense A/c & Security Deposits totaling to Rs. 3.26 Cr during FY: 2023-24 and offered the same as Income. However, the holding company has neither a policy for write off of such Outstanding Deposits beyond a timeframe nor has documented approvals of the appropriate authority for such write offs. In addition, information in respect of ageing analysis of Security Deposits Payable, EMD Payable and Advances received from customers are not available. In the absence of information, we are unable to ascertain whether these amounts qualify as deposits under Companies (Acceptance of Deposits) Rules, 2014 & as to whether the Dividend paid by the holding company during the year is in compliance with provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.

13. The holding company is required to disclose Contingent Liabilities as per Ind AS 37. The best estimate of contingent liabilities is disclosed in Note 37 to the accompanying Consolidated Financial statements as at March 31, 2024. The same could not be audited by us, as the holding company has not provided the related legal litigation files for our clear understanding and verification. Further, the disclosure in Note 37 does not contain details of current status of dispute, management estimate of outcome, accrued interest payout and amount involved for which no provision is made.

Further, the disputed income tax demands as disclosed as at 31-Mar-2024 in Note 37 of the accompanying Consolidated Financial Statements is not matching with latest demand outstanding notice for which reconciliation and current status of dispute is not provided. Certain demands are found to be adjusted with income tax refund due, which are stated as receivable under Note 8 (Others – Balance with Statutory Authorities).

#### 14. Inventory

- a) Physical Verification of Inventories on 31-Mar-2024 has not been carried on by the Management of the Holding company or by an external agency. Management of the holding company has arrived at the quantities of closing stock of coal, Barytes & Survey Stones as on 31-Mar-2024 based on the Opening Stock, Production and Dispatch records. In the absence of physical verification of Inventories, the actual quantities as on 31-Mar-2024 may differ from the reported quantities by the management of the holding company. Therefore, the precise effect due to any consequential variances in the quantities of inventories, cannot be ascertained.

Refer Note 2(i) & Note 53, where holding company has recognized closing stock for C+D+W Grade of Barytes only for a quantity of 15,00,000 MTs as against the actual quantities of 77,34,091 MT and considering no value for the remaining stock of 62 Lakh MTs (approx.), as management of the holding company expect this grade not to fetch any value in the market.



However, on 24-Jan-2024 a tender was issued by Holding company for the sale of C+D+W grade material, with a reserve price of Rs.1,200/- per MT basing on the pricing strategy conducted by PWC. Single bid has been received & several parties expressed interest to lift the C+D+W grade material on reduction of EMD & Tender fees. Therefore, the estimate of the management of the holding company that the C+D+W+ grade material has no market value is not appropriate and not in line with Ind AS 2 - resulting in undervaluation of Inventory to an extent of Rs. 489 Cr. (62 Lakh MT @ Rs.784 / MT – Actual Cost of Production of C+D+W for FY: 2023-24).

- b) As required under para 97 and 98 of Ind AS 1, holding company shall disclose the exceptional items like Carrying amount of inventory written down to net realisable value separately in its Consolidated financial statements. However, carrying amount of inventory (C+D+W Barytes & Survey Stones) written down in the year & previous years to net realisable value (Nil) is not disclosed separately in the Consolidated financial statements.
15. The total Mine Closure Cost for Suliari Coal Mine as per the Mining Plan is Rs.526.6 Cr to be incurred over a period of 26 years & the company recognized Decommissioning Asset & corresponding Provision for Decommissioning based on Mine Closure guidelines of Ministry of Coal for Total Mine Closure (Refer Note 2(p)). However, as per Clause 16.2(b) read with Clause 7.6 of the agreement between Holding company & M/s Adani Enterprises Limited (AEL), Mining Fee payable to AEL shall also include costs incurred towards "Progressive Mine Closure activities" and therefore, no additional cost is to be incurred by holding company towards Progressive Mine Closure activities. In the absence of adequate information relating to Total Mine closure cost apportionment between AEL & holding company, we were unable to ascertain the adequacy and extent of Decommissioning Asset (Note 3.3) & Provision for Decommissioning (Note 19) recognised in the Consolidated Financial Statements and their corresponding accumulated depreciation & Unwinding Costs debited to Consolidated Profit & Loss for the FY: 2023-24. The precise effect due to the consequent distribution of Mine Closure costs between AEL & Holding company could not be ascertained.

Further, holding company has been operating Granite Mines at Chimakurthy, Andhra Pradesh. No provision for Mine Closure & Decommissioning costs as required under Ind AS 16 has been recognized in the Consolidated Financial Statements as on 31-Mar-2024. The resulting impact on Consolidated financial statements could not be ascertained, in the absence of adequate information.

16. We draw your attention to Note 34, where the Holding company expensed Rs. 374 Cr towards Removal of Overburden in Barytes (Mangampet Mine) achieving Stripping Ratio of 3.17, as against 1.77 Stripping Ratio as per Mining Plan. The management of the Holding company has represented that, the significant increase in OB Removal in Mangampet Mine during the year is on account of OB removed in the adjacent Dolomite Mine, which is not included in computation of Stripping ratio of the Barytes Mining Plan. The expenses incurred for OB removal of Dolomite mine is required to be considered as Development expenditure and is required to be capitalized as per Accounting Policy disclosed in Note 2(aa). The OB Excavation expenses of Rs. 374 Cr is not allocated / apportioned between Barytes & Dolomite Mine and is charged entirely to Revenue for the FY: 2023-24. In the absence of bifurcation of the OB excavation expenditure between Barytes & Dolomite Mine, we are unable to ascertain the impact on Consolidated Profit & Loss account. Accordingly, the accounting policy selected and adopted by the holding company for accounting Overburden removal costs is not in line with Para 10, 11 & 12 of Ind AS 8.



17. As per Para 13 of Ind AS 8, an entity shall select and apply its accounting policies consistently for similar transactions & it shall be selected and applied consistently to each category. The Holding Company has not adopted any Accounting Policy in respect of treatment for R&R Costs. The following account treatment is followed by the Holding company in respect of R&R Costs:

- a) In respect of Mangampet mine, the R&R costs incurred at the inception of the project is not found as an asset, as the same is charged to revenue as and when incurred. However, part of the R&R Costs incurred by the Holding company during the previous years are parked as advances and neither expensed off nor capitalized amounting to Rs. 155 Cr. These R&R costs along with R&R costs incurred during the FY: 2023-24 of Rs. 290 Cr, aggregating to Rs. 445 Cr were capitalized as Mining Assets during FY: 2023-24 and amortized over the remaining life of the mine (5 Years). Amortization Cost debited to Consolidated Profit & Loss on this account is Rs. 106 Cr. Further, justification for incurring R&R costs when the mine is nearing closure is not available.
- b) R&R Costs and Mine Development Costs incurred in respect of Suliari mine amounting to Rs. 1,517 Cr up to FY: 2022-23 are capitalized as Mining Infrastructure Assets as and when incurred, which is in contrary to the accounting for R&R costs adopted for Mangampet Mine up to FY: 2022-23.
- c) On verification of the Lands in (PPE - Note 3), R&R Costs are capitalized as Land amounting to Rs. 18.9 Cr, which is neither charged to revenue nor amortized. This is in contrary to the accounting treatment given by the Holding company for Mangampet & Suliari Mines.

As the Holding Company has neither adopted & disclosed the accounting Policy nor applied the accounting treatment for these costs consistently in respect of R&R Costs, the same is not in line with Para 10, 11, 12 & 13 of Ind As 8. The precise effect of consequential adjustments on the Consolidated Financial Statements on adoption of the accounting policy by the Holding company is not ascertainable.

**18. Suliari Coal project, Madhya Pradesh:**

- a) The Holding company has outsourced the entire Mine Development & Operations of Suliari Coal Mine, Madhya Pradesh to "Adani Enterprises Limited" (MDO) & around 70% of coal produced during FY:2023-24 is sold to "Adani Power Limited" (APL) vide a coal supply agreement for 5 years. During the FY: 2023-24, the average Sale rate of coal to APL is significantly lower than compared to the avg. sale rate to other parties, resulting in forgone potential revenue of Rs. 430 Cr. The documentation along with justification of awarding the Mine Production & Sale agreements to parties related to each other are not on record.
- b) Further, Liquidated Damages / Compensation / Penalties for delay in commencement of Coal production & for not meeting the monthly quantity obligations as per the terms of the agreement are not levied on AEL by Holding company. Similarly, no Penalties are levied by Holding company on APL for Short Lifting of Coal produced as per the terms of Coal Supply agreement. Further, no waiver by competent authority is available on record.
- c) Additionally, Interest bearing Performance Security Deposit (PSD) of Rs.250 Cr is taken from Adani Power Limited (APL) by Holding company instead of a Bank Guarantee. Justification of the management of the holding company in accepting Interest bearing PSD instead of Interest free Bank Guarantee cannot be ascertained.





- d) An amount of Rs. 1,652 Cr. was capitalized towards R&R & Mine Development Costs of Suliari Coal Mine as on 31-Mar-2024. As the records relating to the costs incurred during the previous years are not available, we are unable to comment on the appropriateness of the R&R and Mine Development Costs Capitalized.

In the absence of any effective documented Risk Management Policy by the Holding company, we are unable to ascertain the corresponding effect on the Consolidated financial Statements and operations of the Suliari Mine, due to potential Risks (if any) involved in the aforesaid matters.

19. The Holding company has not obtained confirmation of MSME classification from vendors and hence, bifurcation of trade payables to MSME and others is not disclosed as required under Schedule III of Companies Act. Further, the ageing of Trade Payables, Trade Receivables & Capital Work in Progress, Cost & Time Overrun of CWIP is not disclosed as required under Schedule III of Companies Act, 2013.

**20. Interest Free Loan to Andhra Pradesh State Fiber Net Limited (APSFL):**

The Holding Company has released an interest free unsecured loan of Rs. 100 Cr during the financial year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly instalments starting from FY: 2018-19 and ending in FY: 2021-22. APSFL has not repaid the instalments due in FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 as per terms of the agreement till date. The said loan is unsecured and not backed up by any government guarantee.

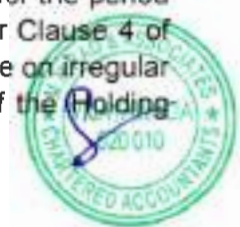
The management of the Holding company has not provided for impairment on the loan amount as it is confident of the recovery of the loan. In the absence of Audited Financial Statements of APSFL from FY 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

**21. Loan to Machilipatnam Urban Development Authority (MUDA):**

The Holding Company has released unsecured loan of Rs. 200 Cr. to M/s Machilipatnam Urban Development Authority ("MUDA") on 01-Nov-2018 bearing interest at 8% per annum and repayable in 45 days. Despite multiple requests for repayment by APMDC, both the principal and the outstanding interest remain unpaid as on date. The said loan is an unsecured loan and is not backed by any government guarantee.

Additionally, Holding company received G.O.Ms. No. 32 dated 14-Mar-2024 to Waive off Rs.7.07 Cr of principal amount and corresponding interest that is recognised in the books of account. The Company has not written off / impaired the Loan. Further, in the absence of Audited Financial Statements of MUDA from FY 2018-19 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.

Further, the management of the Holding company has not provided for impairment on the loan amount as it is confident of the recovery of the loan, but on the other hand management of the Holding company has not recognized Interest Income amounting to Rs. 84.7 Cr for the period of 1931 days from 16.12.2018 to 31.03.2024 (excl. penal interest leviable under Clause 4 of loan agreement), on the basis of the accounting policy stating that Interest Income on irregular / overdue advances are recognized on realization basis. Thus, the practice of the Holding



Company to defer the recognition of interest accrued on loan referring to its accounting policy disclosed at 2(f)(iv) to recognise interest income on irregular / overdue advances on realisation basis is not justified and appropriate to that extent since neither uncertainty in realisation of the said loan was justified nor carrying amount of loan was impaired. As, inappropriate accounting policy cannot be rectified by disclosure. Deviation from accrual basis of accounting results in understatement of Other Income and Loans by Rs. 84.7 Cr each with understatement of Profit by the same amount.

22. Holding company has secured a term loan from SBI at an initial interest rate of 7.20% to fund the Capex of the Suliari Coal Mine. Subsequently, on 13-Oct-2021, it received an interest-bearing Performance Security Deposit (PSD) from Adani Power Limited (APL) at an initial interest rate of 9%, payable to APL on a quarterly basis. The decision to accept an interest-bearing PSD from APL instead of a cost-free bank guarantee lacks commercial justification.

Furthermore, APMDCL has invested Rs. 555 Cr. in Inter-Corporate Deposits (ICDs) of Andhra Pradesh State Financial Services Corporation (APSFSCCL), earning an initial interest rate of 5% per annum. These ICDs are redeemable with a 21-day notice. The investment was made using Rs. 250 Cr. from the interest-bearing PSD received from APL, along with other bank balances of Holding company. This has resulted in Holding company's borrowing at higher interest rates (Term Loans & PSD) while investing in ICDs at lower interest rates, leading to a revenue loss for the Holding company.

The financial rationale behind the management of the Holding company's decision to continue holding these ICDs, despite their redeemability within 21 days, and not utilizing the funds to repay borrowings remains unclear. As a result, Holding company has incurred a revenue loss of Rs. 10 Cr. for FY 2023-24 (based on revised Interest rates for FY: 2023-24) due to the continued investment in these ICDs. The total revenue loss to the holding company from inception could not be determined due to the fluctuating nature of interest rates on these borrowings.

23. The Holding company has employed maximum of 336 Nos. of Contract employees during FY: 2023-24 with a monthly remuneration totaling to Rs. 1.14 Cr during that period and debited Rs. 10.5 Cr for the FY: 2023-24 to the statement of Consolidated Profit & Loss.

On comparison with Dec-2024, the No. of. Contract Employees substantially dropped to 74 Nos. from 336 Nos. and the monthly remuneration to Rs.0.5 Cr from Rs.1.14 Cr. The designations of the contract employees during FY: 2023-24 were DEO or DPO and the Job Descriptions were not specified in the terms of the agreement. Further, we are unable to obtain any explanation and justification of the management of the holding company for the significant decline in the total no. of contract employees. In the absence of sufficient & adequate information, we are unable to ascertain the existence and accuracy of the Contract Employee Cost of Rs. 10.5 Cr debited to profit & loss for the FY: 2023-24 under Employee Benefit Expenses.

24. We draw attention to Note 43 to the accompanying Consolidated financial statements, where the holding company has not adequately disclosed segment information in accordance with Indian Accounting Standard (Ind AS) 108 – Operating Segments. The standard requires an entity to disclose information about its operating segments based on internal management reporting used for decision-making, including segment revenue, segment results, and segment assets and liabilities.





The Holding Company has coal and barytes operations, which comprise two major sources of revenue. However, the holding company has disclosed Segment reporting under a single segment as mining operations, instead of presenting them as separate operating segments. Since these operations have distinct economic characteristics and are subject to different risks and returns, their aggregation does not align with the principles set out in Ind AS 108. The lack of appropriate segment reporting may impact the users' ability to assess the financial performance, profitability, and risk profile of each business segment individually. As a result, the Consolidated financial statements do not provide sufficient information to enable a proper evaluation of the Holding Company's performance across its operating segments.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter Paragraph:**

Without qualifying our opinion, we draw attention to the following matters in the Consolidated Financial Statements:

1. Refer Note No. 64, the supplementary Audit of C&AG for the FY: 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23 is yet to be completed and thus, same are yet to be adopted by the members in Annual General Meeting. As the Consolidated Financial statements along with Independent Auditors' report of the corporation for the FY: 2022-23 are yet to be adopted by the members in AGM, (corporation submitted the same to CAG for supplementary Audit only on 04-Feb-2025), the comparative figures for previous year 2022-23 which are provided in the current year Consolidated financial statements are unadopted.
2. Refer Note No. 45, the Holding company has paid an amount of Rs. 30.54 Cr against outstanding balances pertaining to sand operations, which was carried over from the previous year financials on which previous auditors have issued a disclaimer of opinion.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key audit matters as per SA 701, are not applicable to the company as it is an Unlisted company.



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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements:**

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.



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

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

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

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

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

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



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

**Other Matters:**

1. The Holding company has completed its migration to a new ERP system (Dynamics 365) during the year. However, no independent audit was conducted to verify the accuracy, completeness, and integrity of data migration, system controls and its effectiveness, and reconciliation with previous records.
2. Note 14 (Other Current Assets) of the accompanying Consolidated financial statements primarily comprises of GST Input Tax Credit (ITC) receivables representing accumulation of ITC due to inverted duty structure & RCM applicable on royalty. Management of the Holding company estimates to utilize this accumulated ITC in future for payment of Output GST based on various factors such as volume increase and price revisions, change in business operation model (i.e., departmental capabilities in place of outsourcing), changes in output GST Rate, diversification of business etc., However, the scale and magnitude of GST ITC accumulation by the company in recent years is significant (Rs. 256 Cr as on 31-Mar-2024 as compared to Rs.120 Cr as on 31-Mar-2023). With the Holding company not having any departmental operations and the fact that, the entirety of the mining operations outsourced, the anticipated use of the GST ITC by the management may not align with the estimates, potentially necessitating write-offs which can have a substantial impact on the profit.
3. We did not audit the financial statements / financial information of subsidiaries, associates and jointly controlled entities. The consolidated financial statements include the Group's share of Net Profit of Rs 380 lakhs (Including 3 lakhs in OCI) for the year ended March 31, 2024 and the financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. Further, we draw our attention to Note No. 68 of the consolidated financial statements. Out of the four joint ventures included in the consolidated financial statements, only one joint venture, namely Andhra Pradesh Granite (Midwest) Private Limited, has prepared and presented its financial statements as per Ind AS. The other three have not reported their financial statements as per Ind AS, which is not in line with Ind AS 110. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
4. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

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

1. As required under Section 143(5) of the Companies Act 2013, we give in "Annexure A" a statement on the directions and sub-directions issued by the Comptroller and Auditor General of India, action taken thereon and the impact on the accounts and Standalone financial statements of the Company, such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us.





2. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought, except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d) Except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
- e) Being a Government Company, pursuant to Notification No. GSR 463(E) dated 15-Jun-2015 issued by Government of India, Provisions of clause (g) of sub-section (3) of section 143 of the Companies Act 2013 are not applicable to the Company.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.
- g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on cash flows of the Group.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses disclaimer of opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Due to qualification stated at para- No.12 of the Basis of Qualified Opinion, we are unable to comment on whether the Holding Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements.





- ii. In our opinion and as per the information and explanations provided to us, the Holding Company did not have any long-term contracts, requiring provisions under applicable laws or accounting standards, for material foreseeable losses.
- iii. There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- iv. (a) The management of the Holding company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Holding company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
(b) The Management of the Holding company has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.
- v. As stated by the Holding company in Note 65 of the accompanying Consolidated Financial Statements & due to the qualification stated in para-No.11 of the Basis of Qualified Opinion above, we are unable to ascertain whether the interim dividend declared by the Holding company is as per the provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.  
  
Further, out of the interim dividend declared amounting to Rs. 1000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.  
  
The Final dividend for the FY: 2022-23 & FY: 2023-24 is not yet proposed by the Holding company's Board of Directors, as on the date of the Audit Report.  
  
Further, in one of the Joint ventures namely AP (Midwest) Private Limited dividend was declared or paid during the year.
- vi. Based on our examination, which included test checks, and based on the audit reports submitted by us the Holding Company used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has been in operation throughout the year for all relevant transactions recorded. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.



Further, as per reports submitted by the independent statutory auditors of the Four Joint ventures namely Andhra Pradesh Granite (Midwest) Private Limited, Samyuktha Granites PL, Naandhi Granites Private Limited, Shantibhavi Stones AP Private Limited, in case of Andhra Pradesh Granite (Midwest) Private Limited which has used an accounting software for maintaining its books of account has feature of recording audit trail except that this feature was not enabled in the accounting software throughout the year. In respect of other three JV's, their statutory auditor has not reported the required status with respect to audit trail maintained by the said subsidiary and as such we are not able to comment on the same

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S



*Satish Kumar*  
(Ch. Satish Kumar)  
Partner

Membership No.: 228921

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921 BM/FBA/2128

Enclosed: Annexure A and B to the Audit Report

**Annexure - A to the Independent Auditors' Report**

*(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Holding company on the Consolidated financial statements for the year ended March 31, 2024)*

**Report on Directions & Sub-Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics ERP. However, many areas have not been covered under the ERP such as Accounting of Inventory, Payroll, Stores Consumption, Depreciation etc which are manually maintained
		We draw attention to Para 1 of the Other Matters section of our Audit Report, in respect of ERP Migration during the year.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanations given to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Holding Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilized, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realized on these works, with full quantitative details may be detailed	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies
2	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the Holding company from Central or State government(s)/ other user department(s) or their agencies.



	b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease).	There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Holding Company has been maintaining Public Deposit Account vide PD DDO Code: 27002403004 and there are no transactions in the PD account during the FY: 2023-24.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been received by APMDC during the year.</p> <p>c) During the year holding company has not deposited any amount in PD Account.</p> <p>d) According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-Mar-2024.</p>





6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	Reference is invited to Para 13 of the Basis of Qualified Opinion in the Audit Report.
9.	Whether the cost incurred on abandoned projects has been written off?	We draw attention to Note 57, where corporation has made doubtful provision of Rs.23.94 Cr for the Upfront Fee regarding Madanpur South Coal Mine written off during FY 2022-23
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalized and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion para 1, we are unable to comment upon the same  We also draw attention to Note 48 in the accompanying Consolidated financial Statements.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	We are unable to comment upon the same as we have not visited the mine. As per the representation provided by the management of the Holding company, they are in compliance with stipulated norms





13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding Company has obtained the requisite statutory compliances that was required under mining and environmental rules and regulations.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Reference is invited to Para 14 & 15 of the Basis of Qualified Opinion in the Audit Report.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified	According to the information and explanations given to us and on perusal of the mining plans submitted to us, the Holding company has not disbanded or discontinued any mines during the year.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	Reference is invited to Para 14, 16 & 17 of the Basis of Qualified Opinion in the Audit Report.

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921 BML EBA 2128



For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S

*Satish Kumar*

(Ch. Satish Kumar)

Partner

Membership No.: 229921



### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") on the Consolidated financial statements for the year ended March 31, 2024)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries referred to as "The Group"), its associates and jointly controlled entities as of March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

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

The respective Board of Directors of the Company included in the Group are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these Consolidated financial statements.



### Meaning of Internal Financial Controls over Financial Reporting

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

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

### Disclaimer of Opinion:

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2024.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of Consolidated Financial Statements of the company, and the disclaimer does not affect our opinion on the Consolidated Financial Statements of the Company.

For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S



*Satish Kumar*  
(Ch. Satish Kumar)

Partner

Membership No.: 229921

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 2522 9921 BMLE BA2128



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Sl. No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
1) Non-current assets			
(a) Property, plant and equipment	3	7,210	8,121
(b) Right-of-use assets	3.1	133	102
(c) Capital work in progress	3.2	556	914
(d) Intangible assets	3.3	1,95,406	1,56,987
(e) Intangible assets under development	3.4	8,906	6,316
(f) Financial assets			
(i) Investments	4	1,413	1,068
(ii) Loans	5	383	338
(iii) Other financial assets	6	6,665	99,399
(g) Deferred tax assets (net)	7	-	111
(h) Other non-current assets	8	43,676	52,962
<b>Total non-current assets</b>		<b>2,64,348</b>	<b>3,36,470</b>
2) Current assets			
(a) Inventories	9	20,731	18,482
(b) Financial assets			
(i) Trade receivables	10	74,564	37,477
(ii) Cash and cash equivalents	11	28,899	39,874
(iii) Other bank balances	11	66,733	63,705
(iv) Loans	12	30,076	30,131
(v) Other financial assets	13	1,038	5,043
(c) Other current assets	14	29,480	16,775
<b>Total current assets</b>		<b>2,51,523</b>	<b>2,13,484</b>
<b>TOTAL ASSETS</b>		<b>5,15,869</b>	<b>5,47,954</b>
<b>EQUITY AND LIABILITIES</b>			
1) Equity			
(a) Equity share capital	15	631	631
(b) Other equity	16	3,00,286	3,23,837
<b>Total equity</b>		<b>3,00,917</b>	<b>3,24,468</b>
2) Liabilities			
2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	55,974	49,035
(a) Lease Liability		-	-
(ii) Other financial liabilities	18	6,111	36,547
(b) Provisions	19	9,453	10,012
(c) Deferred tax liability (net)	7	12,653	-
(d) Other non-current liabilities	20	254	254
<b>Total non-current liabilities</b>		<b>84,475</b>	<b>95,848</b>
3) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	21	15,498	10,800
(ii) Lease liability	22	134	113
(iii) Trade payables	23	19,437	18,468
(iv) Other financial liabilities	24	11,313	37,824
(b) Other current liabilities	25	57,943	44,926
(c) Current tax liabilities	26	14,455	15,507
<b>Total current liabilities</b>		<b>1,30,477</b>	<b>1,27,637</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,15,869</b>	<b>5,47,954</b>

Notes to financial statements

1-70

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For M M RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

Satish Kumar  
Ch. Satish Kumar  
Partner  
Mem No. 229921



Mukesh Kumar Meena  
Managing Director  
DIN: 01237591

G. Rama Subbaiah  
Director  
DIN: 00915409

V.V.V. Phani Kumar  
General Manager - F&A



Place : Vijayawada

Date : February 05, 2025

UDIN: 25229921 BMLF BA 2128

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated statement of profit and loss for the year ended March 31, 2024**  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	27	3,84,059	2,10,191
II Other income	28	12,725	9,820
III Total income (I+II)		3,96,784	2,20,011
IV Expenses			
Change in inventories of finished goods	29	(2,702)	(9,678)
Employee benefits expense	30	5,254	5,164
Finance costs	31	7,678	8,550
Depreciation and amortization expense	32	21,152	3,516
Power and fuel	33	870	948
Excavation and transport charges	34	1,09,889	76,271
Other expenses	35	1,10,757	53,716
Total expenses (IV)		2,53,393	1,38,486
V Profit before tax (III-IV)		1,43,391	81,524
VI Share of Profit/(Losses) of joint ventures and associates		378	219
VII Tax expense/(benefit)			
Current tax	36	24,563	19,640
Deferred tax	36	12,874	2,212
Total tax expense/ (benefit) (VI)		37,438	21,852
VIII Profit for the year (V+VI-VII)		1,06,331	59,891
IX Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re measurement of post employment benefit obligations)		(15)	(324)
(ii) Items that will not be reclassified to profit or loss of IV		3	2
(iii) Income tax on above items		-	-
Total other comprehensive income for the year (IX)		(12)	(322)
X Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the Year) (VIII+IX)		1,06,319	59,569
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	1,68,613.73	94,971.37
- Diluted (Rs.)		1,68,613.73	94,971.37
Notes to financial statements	1-70		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For M N RAD & ASSOCIATES

Chartered Accountants

Firm Regn No. 0053865

Ch.Satish Kumar

Partner

Mem No.229921



Mukesh Kumar Meena

Managing Director

D-N 01232593

G. Rama Subbaiah

Director

DIN: 10915409

V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 05, 2025 UDTN: 252299213MLFBA2128





**The Andhra Pradesh Mineral Development Corporation Limited**

Statement of changes in equity for the year ended March 31, 2024

**A. Equity share capital**

(Rs. In Lakhs)

Particulars	No. of Shares	Amount
Balance as at April 1, 2022	63,062	631
Changes in equity share capital during 2022-23	-	-
Balance as at April 1, 2023	63,062	631
Changes in equity share capital during 2023-24	-	-
Balance as at March 31, 2024	63,062	631

**B. Other equity**

(Rs. In Lakhs)

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2022	110	1,531	17,216	2,45,255	(57)	(17)	(30)	2,64,008
Profit for the year	-	-	-	59,893	-	-	-	59,893
Free ride equity shares in Joint Ventures	260	-	-	-	-	-	-	260
Other comprehensive income for the year	-	-	-	-	-	(122)	-	(122)
Total comprehensive income for the year	260	-	-	59,893	-	(122)	-	59,829
Transfer to reserve for bad and doubtful debts	-	616	-	(616)	-	-	-	-
Balance as at March 31, 2023	370	2,147	17,216	1,04,529	(57)	(139)	(30)	1,23,838
Free ride equity shares in Joint Ventures	130	-	-	-	-	-	-	130
Profit for the year	-	-	-	1,06,331	-	-	-	1,06,331
Other comprehensive income for the year	-	-	-	-	-	(12)	-	(12)
Total comprehensive income for the year	130	-	-	1,06,331	-	(12)	-	1,06,449
Interim Dividend (FY 2023-24)	-	-	-	(90,000)	-	-	-	(90,000)
Interim Dividend (FY 2022-23)	-	-	-	(40,000)	-	-	-	(40,000)
Transfer to reserve for bad and doubtful debts	-	2,741	-	(2,741)	-	-	-	-
Balance as at March 31, 2024	500	4,888	17,216	1,78,119	(57)	(151)	(30)	1,90,285

As per our report of even date

For and on behalf of the Board of Directors

For M N Rao & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*Mr. Mahesh Kumar Meena*

Managing Director

DIN: 01232593

*G. Rama Subbalakshmi*

G. Rama Subbalakshmi

Director

DIN: 10915405

*V.V.V. Phani Kumar*

V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 05, 2025

UDIN: 25229921 BMLEBA2128



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated cash flow statement for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	1,43,763	31,743
Adjustments for:		
Interest expense	8,274	7,703
Unwinding of discounting on provisions	801	701
Interest income	(11,608)	(9,470)
Depreciation and amortization expense	23,157	3,516
Provision for bad & doubtful advances	2,571	1,146
Bad & doubtful debts	476	
Assets written off		562
Liabilities no longer required written back	(71)	(51)
Operating profit before working capital changes	1,63,967	87,247
Adjustments for:		
Increase/(decrease) in trade payables	969	7,144
Increase/(decrease) in provisions	(3,878)	(3,241)
Increase/(decrease) in other Financial liabilities	(45,052)	2,343
Increase/(decrease) in other liabilities	13,017	38,936
Decrease/(increase) in trade receivables	(32,564)	(10,756)
Decrease/(increase) in inventories	(2,249)	(9,696)
Decrease/(increase) in other assets	6,204	(31,017)
Decrease/(increase) in other financial assets	96,739	(10,254)
Cash generated from operations	1,92,153	70,706
Direct taxes paid (net of refunds)	(5,617)	4,575
Net cash flow from/(used in) operating activities (A)	1,66,536	66,131
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, C&IP and capital advances	(60,871)	(21,474)
Movements in other bank balances	(3,078)	(30,600)
Loans to SdM	10	274
Interest received	11,608	9,470
Dividend income	165	130
Proceeds from sale of NSC bonds		36
Net cash flow from/(used in) investing activities (B)	(52,117)	(42,144)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	11,637	9,283
Interest paid	(6,874)	(7,001)
Payment of lease liability	(135)	(179)
Dividends paid including Interim Dividend	(1,30,000)	
Net cash flow from/(used in) financing activities (C)	(1,25,392)	2,151
Net increase/decrease in cash and cash equivalents (A+B+C)	(10,972)	26,138
Cash and cash equivalents at the beginning of the year	39,871	13,733
Cash and cash equivalents at the end of the year	28,899	39,871
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	1
Balances with scheduled banks		
With current accounts	28,898	39,871
<b>Total cash and cash equivalents (Note 11)</b>	<b>28,899</b>	<b>39,871</b>

The accompanying notes are an integral part of these consolidated financial statements.

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report of even date

For and on behalf of the Board of Directors

For M N RAD & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053365

Satish Kumar

Ch. Satish Kumar

Partner

Mem No. 229921



Mukesh Kumar Meen

Managing Director

D No: 01272593

G. Rama Subbalak

Director

DIN: 10915476

V.V.V. Phani Kumar

General Manager - F&A



Place : Vijayawada

Date : February 05, 2025 UDTW: 2522, 9921 BMLFBA 2128

## Notes to the consolidated financial statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, in accordance with Indian accounting standard 11D - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.





All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.



At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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





**Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to





apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.



**r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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





Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

##### **iv. De-recognition of financial assets**

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





### **Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

#### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.



Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**

Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use asset for the year ended March 31, 2024

Note - 3

(Rs. in Lakhs)

**Property, Plant And Equipment For The Year Ended 31.03.2024**

Particulars	Gross Block			Depreciation Block					Net Block		
	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Impairment Loss*	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2024	Net Block as at March 31, 2024	Net Block as at March 31, 2023
Land	5,536	132	-	5,668	-	-	-	-	-	5,668	5,536
Quarries & Paved Constructions	423	19	-	442	266	18	-	-	284	164	167
Mining Equipment	722	-	-	722	987	25	-	-	613	109	135
Furniture & Fixtures	194	135	-	329	149	11	-	-	161	167	85
Office Equipment	250	17	-	276	278	11	-	-	289	37	31
Data Processing Equipment	207	76	-	373	255	70	-	-	308	65	59
Vehicles	327	-	-	327	194	59	-	-	253	94	133
Tents & Mats	138	15	-	153	57	57	-	-	114	40	81
Plant & Machinery	3,477	203	-	3,679	1,526	546	914	-	2,802	874	1,971
Leasehold building	255	-	-	255	242	-	-	-	242	13	13
Total	11,637	593	-	12,229	3,466	639	914	-	5,019	7,210	8,171
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
Total	11,637	593	-	12,229	3,466	639	914	-	5,019	7,210	8,171
Previous year - 2022-23	8,696	2,962	12	11,657	2,999	476	-	10	3,466	8,171	5,687

\*As per directions of the Government of AP Corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SS&LM department, Government of AP and licensed contractors on turnkey basis. Out of the four units, Ballakurava unit in Prakasam district has commenced operations in the year 2022-2023 and stopped production in the month of August, 2023. In view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Accordingly, an amount of Rs 914.00 lakhs has been recognised as an impairment costs.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Disposal / Adjustments / Transfer	Accumulated Depreciation as at March 31, 2024	Net Block as at March 31, 2024	Net Block as at March 31, 2023
Right of use asset	274	196	274	199	171	140	274	37	133	102
<b>Total</b>	<b>274</b>	<b>196</b>	<b>274</b>	<b>199</b>	<b>171</b>	<b>140</b>	<b>274</b>	<b>37</b>	<b>133</b>	<b>102</b>
Previous year - 2022-23	<b>333</b>	<b>185</b>	<b>245</b>	<b>274</b>	<b>290</b>	<b>114</b>	<b>238</b>	<b>173</b>	<b>102</b>	<b>42</b>



**Note 3.2 Capital work in progress**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	914	1,144
Add: Additions during the year	529	5,435
Less: Transferred to Property, Plant & Equipment	193	5,665
Closing Gross Carrying Value	1,250	914
Accumulated Impairment Allowance		
Balance at the Beginning of the year	-	-
Add: Additions during the year	705	-
Closing Accumulated Impairment Allowance	705	-
Closing net carrying value	556	914

**Capital work in progress Ageing Schedule as at 31.03.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	216	340	-	-	556
Projects temporarily suspended	-	470	235	-	705

**Capital work in progress Ageing Schedule as at 31.03.2023**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	445	470	-	-	914
Projects temporarily suspended	-	-	-	-	-

As per directions of the Government of AP, corporation has initiated setting up of Four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srisakulam for supply of survey stones to the SS&LR department, Government of AP and finalised contractors on turnkey basis. Out of the four units, Balakurawa unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining Three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs. 705.00 lakhs has been recognised as an impairment costs.

**3.3 Intangible Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software	345	2
Decommissioning Assets	6,570	3,081
Mining Infrastructure Assets	1,54,642	1,48,905
Mining Infrastructure Assets - R&B - Mpet	11,849	-
<b>Total</b>	<b>1,95,406</b>	<b>1,56,087</b>

**A.Computer Software**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	34	34
Add: Additions during the year	389	0
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	423	34
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	12	31
Add: Additions during the year	45	1
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	77	32
Net carrying value	345	2

**B.Decommissioning Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	8,345	9,345
Add: Additions during the year	-	0
Less: Disposals/ adjustments/transfer	1,162	-
Closing Gross Carrying Value	7,184	9,345
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	264	88
Add: Additions during the year	349	176
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	613	264
Net carrying value	6,570	9,081





**C. Mining Infrastructure Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	1,51,578	1,46,100
Add: Additions during the year	13,434	15,578
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	1,65,112	1,51,678
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	2,724	29
Add: Additions during the year	7,035	1,744
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,470	2,774
Net carrying value	1,54,642	1,48,905

Corporation has incurred an amount of Rs 1,51,578 lakhs till the end of previous financial year on its Sullivan coal mine project and same has been capitalised under mining infrastructure assets. Additionally, during the current year an amount of Rs.13,434 lakhs has been capitalised and amortised based on the unit of production method.

**D. Mining Infrastructure - R&R - Mpet**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	-	-
Add: Additions during the year	44,513	-
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	44,513	-
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	10,664	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,664	-
Net carrying value	33,849	-

Corporation has paid an amount of Rs 44,513 lakhs from time to time to the district administration towards R&R costs in connection with the Mangampet barytes project. During the year, this amount has been capitalised under Intangible assets - R&R Mangampet and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.

**3.4 Exploration Intangible assets under development**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	5,315	4,031
Add: Additions during the year	2,590	2,945
Less: Disposals/ adjustments/transfer	-	660
Closing Gross Carrying Value	8,905	6,316
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	-	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	-	-
Net carrying value	8,905	6,316

**Exploration intangible assets under development Ageing schedule as at 31.03.2024**

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,785	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,906

**Exploration intangible assets under development Ageing schedule as at 31.03.2023**

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,785	4,031	-	-	6,316
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					6,316





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2024	March 31, 2023
	Unquoted equity instruments - Investments measured at cost investment in subsidiary companies		
	i. M/s APMDC - SCCI subsidiary coal company limited 5,100 equity shares (March 31, 2024: 5,100) of Rs 10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s Nudgaon coal company limited 3,000 equity shares (March 31, 2024: 3,000) of Rs 100/- each fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s Andhra phosphate (P) Ltd 1,110 equity shares (March 31, 2024: 1,100) of Rs 1,000/- each fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	v. M/s Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2024: 56,100) of Rs 10/- each fully paid up	6	5
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	vi. M/s. Aswani mineral development private limited. 65,000 equity shares (March 31, 2024: 65,000) of Rs 10/- each fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vii. M/s SRAP mineral private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	viii. M/s. Arghun minerals exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	ix. M/s Igra mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s Mangalore granites private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	xi. M/s Ongole mineral exports private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s RLP granite private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xiii. M/s A.P. coastal sands & metals private limited, 13,000 equity shares (March 31, 2024: 13,000) of Rs 10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiv. M/s Andhra Pradesh Iron Mining private limited 28,600 equity shares (March 31, 2024: 28,600) of Rs 10/- each fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



<p>iii. Sameeksha Granite Private limited 13,00,000 equity shares(March 31, 2024- 13,00,000) of Rs 10/- each fully paid up</p>	6	80
<p>iv. Naandhi Granites India Private limited 13,00,000 equity shares(March 31, 2024- 13,00,000) of Rs 10/- each fully paid up</p>	127	129
<p>vi. Shambhan stones AP Private limited (Refer note 58) 13,00,000 equity shares(March 31, 2024- 13,00,000) of Rs 10/- each fully paid up</p>	128	
<p>Investment in Joint Ventures</p>		
<p>xii. M/s A.P granites (midwest) private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.10/- each fully paid up</p>	1,152	860
<p>xiii. M/s, Atanice A.P black glass granites private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	110 (110)	110 (110)
<p>xiv. M/s Palavand granite private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares</p>	110 (110)	110 (110)
<p>xv. M/s G.mpes AP banyas benifiration private limited 1,320 equity shares(March 31, 2024- 1,320) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	0 (0)	0 (0)
<p>xvi. M/s.Andhra banyas corporation private limited 8,52,500 equity shares(March 31, 2024- 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	85 (85)	85 (85)
<p>xvii. M/s Andhra Pradesh n ch one company limited 6,850 equity shares(March 31, 2024- 6,850) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	1 (1)	1 (1)
<p>xviii. M/s Triplex banyas private limited 4,50,000 equity shares(March 31, 2024- 4,50,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	45 (45)	45 (45)
<p>xix. M/s V.V. minerals private limited 1,100 equity shares(March 31, 2024- 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares</p>	1 (1)	1 (1)
<p>Investments measured at Amortised cost</p>		
<p>Investment in Government Securities (unquoted) Less: Provision made for doubtful investment</p>	71 (71)	71 (71)
	1,413	1,048
Aggregate amount of quoted investments - Market value		-
Aggregate amount of quoted investments - Book value		-
Aggregate amount of Unquoted investments	1,413	770
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71



5	Loans (Non-current)	As at March 31, 2024	As at March 31, 2023
	Loans and advances to employees		
	Unsecured, considered good	383	338
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>383</b>	<b>338</b>
6	Other financial assets (Non-current)	As at March 31, 2024	As at March 31, 2023
	Security Deposits		
	Unsecured, considered good	257	236
	Unsecured, considered doubtful	93	93
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>257</b>	<b>236</b>
	Balance in current accounts (frozen)	204	198
	Bank Deposits with more than 12 months maturity	4,450	42,609
	Sweep accounts	-	809
	Deposit in Bank under Mine Closure account	1,754	554
	Unsecured, considered doubtful	-	-
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>6,665</b>	<b>49,399</b>
Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened. During the Current Financial Year an additional amount of Rs. 12.00 crores has been deposited totalling to Rs 17.54 crores at the year end and no interest has been received during the year.			
7	Deferred tax liability (Net)	As at March 31, 2024	As at March 31, 2023
	Deferred tax asset		
	Provision for decommissioning costs	2,363	2,472
	Provision for lease liability / assets	0	3
	Provision for bad & doubtful debts, Investments & advances	3,441	7,819
	<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,257	1,879
	Investment	85	85
	Mining Infrastructure asset	5,607	3,113
	Mining Infrastructure Assets - R&A Mpet	5,519	-
	<b>Total deferred tax liability</b>	<b>12,468</b>	<b>5,083</b>
	<b>Net deferred tax (asset)/liability</b>	<b>12,663</b>	<b>(233)</b>
8	Other non-current assets	As at March 31, 2024	As at March 31, 2023
	A) Capital advances		
	Unsecured, considered good	2,696	2,394
	Unsecured, considered Doubtful	2,654	260
	Less: Provision for doubtful advances	(2,654)	(260)
	<b>Total</b>	<b>2,696</b>	<b>2,394</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,075	22,736
	Unsecured, considered Doubtful	5,212	4,935
	Less: Provision for doubtful advances	(5,212)	(4,935)
	<b>Total</b>	<b>14,075</b>	<b>22,736</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	26,257	17,832
	Unsecured, considered Doubtful	1,882	1,988
	Less: Provision for doubtful advances	(1,882)	(1,988)
	<b>Total</b>	<b>26,257</b>	<b>37,832</b>
	D) Prepaid expenses	648	-
	<b>Total (A+B+C+D)</b>	<b>43,676</b>	<b>62,962</b>



9	<b>Inventories</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Finished goods (Refer note: 5d)	20,603	18,397
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	135	93
	<b>Total</b>	<b>20,731</b>	<b>18,482</b>
	Method of valuation: Refer Note to III of significant accounting policies		
10	<b>Trade receivables (Current)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Unsecured, considered good	73,843	77,260
	Unsecured, considered credit impaired	3,417	7,524
	Less: impairment allowance for doubtful debts	(3,417)	(13,524)
	Unbilled Receivables	721	4,217
	<b>Total</b>	<b>74,564</b>	<b>37,477</b>
	Refer note no 62		
11	<b>Cash and cash equivalents</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	28,898	39,871
	Cash on hand	1	1
	<b>(A)</b>	<b>28,899</b>	<b>39,871</b>
	Other bank balances		
	Fixed deposits against bank guarantees	11,113	8,206
	Deposits with APSTSC	55,500	55,500
	<b>(B)</b>	<b>66,733</b>	<b>63,706</b>
	<b>Total</b>	<b>95,632</b>	<b>1,03,576</b>
12	<b>Loans (current)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Vehicle loans to staff		
	Secured, considered good	14	72
	Unsecured, considered good		
	Loan to AP state Fiber net Limited & Machilipatnam Urban		
	Development Authority- Refer Note: 5D & 5E	70,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	61	109
	<b>Total</b>	<b>30,076</b>	<b>30,131</b>
13	<b>Other financial assets (Current)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Interest accrued on deposits		
	Unsecured, considered good	1,283	5,287
	Less: Provision for the doubtful portion	(244)	(244)
	<b>Total</b>	<b>1,038</b>	<b>5,043</b>
14	<b>Other current assets</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	A) Advances recoverable		
	Unsecured, considered good	745	604
		<b>745</b>	<b>604</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	27,555	14,235
	Prepaid expenses	990	1,785
	Others	190	150
	<b>Total</b>	<b>28,735</b>	<b>16,171</b>
	<b>Total</b>	<b>29,480</b>	<b>16,775</b>



15	Equity share capital	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital:</b> 1,00,000 equity shares of Rs 1,000/- each (March 31, 2024 - 1,00,000 equity shares of Rs 1,000/- each)		1,000	1,000
		1,000	1,000
<b>Issued, subscribed and fully paid up share Capital:</b> 63,062 equity shares of Rs 1,000/- each fully paid up (March 31, 2024 - 63,062 equity shares of Rs 1,000/- each)		631	631
		631	631
<b>15.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
Particulars	As at March 31, 2024	As at March 31, 2023	
Shares outstanding at the beginning of the year	63,062	63,062	
Shares issued during the year	-	-	
Shares outstanding at the end of the year	63,062	63,062	
<b>15.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>15.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
Name of the share holder	As at March 31, 2024	As at March 31, 2023	
Governor of the Andhra Pradesh represented by assistant secretary to Government (Mineral Industries & Commerce department)	63,059 (99.955%)	63,059 (99.955%)	
<b>15.4 Details of Shareholding of Promoters</b>			
Name of the share holder	As at March 31, 2024	As at March 31, 2023	
Governor of the Andhra Pradesh represented by assistant secretary to Government (Mineral Industries & Commerce department)	63,059 (99.955%)	63,059 (99.955%)	
<b>16</b>			
Other equity	As at March 31, 2024	As at March 31, 2023	
<b>Capital reserves</b>			
Free reserve equity shares for consideration other than cash allotted by			
i) M/s. Aswan mineral development private limited 65,000 equity shares (March 31, 2024 - 65,000) of Rs. 10/- each fully paid up	7	7	
Less: Provision made for diminution in the value of shares	(7)	(7)	
ii) M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2024 - 3,25,000 of Rs. 10/- each fully paid up	33	33	
Less: Provision made for diminution in the value of shares	(33)	(33)	
iii) Arnam mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs. 10/- each fully paid up	13	13	
Less: Provision made for diminution in the value of shares	(13)	(13)	
iv) Iora mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs. 10/- each fully paid up	13	13	
Less: Provision made for diminution in the value of shares	(13)	(13)	
v) Margasree minerals private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs. 10/- each fully paid up	13	13	
Less: Provision made for diminution in the value of shares	(13)	(13)	





vi. Ongole Minerals exports private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
vii. R/P granine private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
viii. M/s A P granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110	110
ix. M/s Alliance A P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
x. M/s Palavared granites private limited 1,10,000 equity shares(March 31, 2024: 1,10,000) of Rs.100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xi. M/s A.P.coastal sands & metals private limited 13,000 equity shares(March 31, 2024: 13,000) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xii. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2024: 56,100) of Rs.10/- each fully paid up	6	6
Less: Provision made for diminution in the value of shares	(5)	(6)
xiii. M/s.Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs.10/- each fully paid up	0	0
Less: Provision made for diminution in the value of shares	(0)	(0)
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) Rs.10/- each fully paid up	85	85
Less: Provision made for diminution in the value of shares	(85)	(85)
xv. M/s.Andhra Pradesh iron ore company limited 5,850 equity shares(March 31, 2024: 5,850) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xvi. M/s Trimex baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up	45	45
Less: Provision made for diminution in the value of shares	(45)	(45)
xvii. M/s V.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xviii. Samyuktha Granite Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130



	<p>xix. Naandhi Granites India Private Limited. 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs. 10/- each fully paid up</p> <p>xx. Shamshavistones AP Private Limited. 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs. 10/- each fully paid up</p>	130	130
		130	130
	<p>Other comprehensive income</p> <p>Opening balance</p> <p>Other comprehensive income for the year</p> <p>Add/(less): Transferred from/(to) retained earnings</p> <p>Closing balance</p>	<p>(426)</p> <p>(12)</p> <p>-</p> <p>(438)</p>	<p>(104)</p> <p>(372)</p> <p>-</p> <p>(426)</p>
	<p>Reserve for bad and doubtful debts</p> <p>Opening balance</p> <p>Add/(less): Transferred from/to profit and loss account</p> <p>Closing balance</p>	<p>2,147</p> <p>2,741</p> <p>4,889</p>	<p>2,531</p> <p>616</p> <p>2,147</p>
	<p>General reserve</p> <p>Opening balance</p> <p>Closing balance</p>	<p>17,216</p> <p>17,216</p>	<p>17,216</p> <p>17,216</p>
	<p>Retained earnings</p> <p>Opening balance</p> <p>Add/(less): Profit for the year</p>	<p>3,04,529</p> <p>1,06,341</p> <p>4,10,860</p>	<p>2,45,255</p> <p>59,891</p> <p>3,05,145</p>
	<p>Less: Appropriations</p> <p>Reserve for bad and doubtful debts</p> <p>Interim Dividends</p> <p>Total appropriations</p> <p>Closing balance</p>	<p>2,741</p> <p>1,30,000</p> <p>1,32,741</p> <p>2,76,119</p>	<p>616</p> <p>-</p> <p>616</p> <p>3,04,529</p>
	<b>Total</b>	<b>3,00,286</b>	<b>3,23,637</b>
<p><b>Nature and purpose of reserves</b></p> <p><b>General reserve</b> General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.</p> <p><b>Reserve for bad and doubtful debts</b> Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.</p> <p><b>Retained earnings</b> Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.</p>			
17	<b>Borrowings</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Rupee Term Loan from Banks - Secured		
	From State Bank of India	55,974	49,035
	<b>Total</b>	<b>55,974</b>	<b>49,035</b>
<p>Term Loan of Rs.918 Crores availed from State Bank of India, Industrial Finance Bank, Guntur with ROI of (MCLR+0.25%); 6 months MCLR for Development of 50-year Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly installment of Rs.9 crores in 5 years 10 months. The company has been regular in repayment of principal and interest on due dates.</p>			



18	Other Financial liabilities (Non-current)	As at March 31, 2024	As at March 31, 2023
	Expenses payable against infrastructure development	1,483	1,708
	Others	4,475	13,166
	Deposits	173	173
	<b>Total</b>	<b>6,131</b>	<b>36,547</b>
19	Provisions (Non current)	As at March 31, 2024	As at March 31, 2023
	Provision for employee benefits	-	-
	Provision for gratuity	65	191
	Provision for others:	-	-
	Provision for decommissioning cost *	9,168	9,822
	<b>Total</b>	<b>9,453</b>	<b>10,012</b>
* Refer Note no 61			
20	Other non-current liabilities	As at March 31, 2024	As at March 31, 2023
	Others	-	-
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
21	Borrowings (Current)	As at March 31, 2024	As at March 31, 2023
	Rupee Term Loan from Banks - Secured	-	-
	From State Bank of India	-	-
	Current maturities term loan	10,800	10,800
	Cash Credit	4,698	-
	<b>Total</b>	<b>15,498</b>	<b>10,800</b>
Term Loan of Rs.918 Crores availed from State Bank of India, Industrial Finance Bank, Gujrat with RCI of (MCLR+0.25%) 6 months MCLR for Development of Suliyan Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly instalment of Rs.9 crores in 9 years 10 months. The company has been regular in repayment of principal and interest on due dates.			
Cash Credit Limits of Rs.100 crores with RCI of (MCLR+0.12%) 6 months MCLR availed on 23.09.2023 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (both present & future) of the company.			
22	Particulars	As at March 31, 2024	As at March 31, 2023
	Leave Liability (Refer note no 60)	134	113
	<b>Total</b>	<b>134</b>	<b>113</b>
23	Trade payables (Current)	As at March 31, 2024	As at March 31, 2023
	Trade payables (Refer Note.62)	-	-
	Dues of micro enterprises and small enterprises	-	-
	Dues of creditors other than micro enterprises and small enterprises	19,437	18,468
	<b>Total</b>	<b>19,437</b>	<b>18,468</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.			
	Particulars	As at March 31, 2024	As at March 31, 2023
	a) Principal amount and interest due thereon	-	-
	b) Interest payable in terms of section 16 of MSMED Act	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
	d) Interest received and remaining unpaid at the end of the year	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			



24	Other financial liabilities (Current)		As at March 31, 2024	As at March 31, 2023
	Salaries & other benefits payable		142	120
	Earnest money and security deposits from customers		18,222	21,157
	Other financial liabilities		6,649	16,546
	Total		23,013	37,823
25	Other current liabilities		As at March 31, 2024	As at March 31, 2023
	Advance from customers		44,090	29,601
	Statutory liabilities		11,851	15,145
	Other liabilities			180
	Total		57,943	44,926
26	Current tax liabilities		As at March 31, 2024	As at March 31, 2023
	Provision for income tax		14,453	15,507
	Total		14,453	15,507



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2024**  
All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2024	For the year ended March 31, 2023
	Sale of products		
	Barytes	1,43,304	1,33,420
	Coal	2,09,245	64,888
	Survey stores	27,545	8,189
	Sale of services		
	Consideration	3,966	3,694
	<b>Total</b>	<b>3,84,059</b>	<b>2,10,191</b>
28	Other income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Interest income		
	Bank deposits	11,256	8,386
	Loans	7	1
	Others	137	907
	Other non operating income		
	Rent receipts	8	8
	Forfeiture of security deposit	875	230
	Sale of tender documents	33	11
	Other receipts (HSD Commission)	214	155
	Interest on delay in payment of minimum consideration	0	20
	Liabilities no longer required written back	71	54
	Penalties on buyers and millers	7	-
	Other miscellaneous income	123	48
	<b>Total</b>	<b>12,725</b>	<b>9,820</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2024	For the year ended March 31, 2023
	a) Opening stock of finished goods	18,397	8,719
		18,397	8,719
	b) Closing stock of finished goods	20,603	18,397
		20,603	18,397
	<b>Changes in inventories of finished goods</b>	<b>(2,207)</b>	<b>(9,678)</b>
30	Employee benefit expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
	Salaries and wages	3,814	3,795
	Contribution to provident fund and other funds	989	880
	Staff welfare expenses	451	489
	<b>Total</b>	<b>5,254</b>	<b>5,164</b>
31	Finance costs	For the year ended March 31, 2024	For the year ended March 31, 2023
	Unwinding of discount on provision	804	701
	Interest on lease liability	8	13
	Interest	6,441	6,989
	Other interests	535	846
	<b>Total</b>	<b>7,678</b>	<b>8,550</b>





32	<b>Depreciation and Amortization expense</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Depreciation of Property, Plant and Equipment	639	476
	Amortization of intangible assets	18,754	2,922
	Depreciation on right of use assets	140	119
	Impairment expenses	1,619	-
	<b>Total</b>	<b>21,152</b>	<b>3,517</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Power and Fuel	870	948
	<b>Total</b>	<b>870</b>	<b>948</b>
34	<b>Excavation and transport charges</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Excavation & transport charges for run of mine	6,120	6,545
	Excavation & transport charges for overburden	37,392	37,658
	Excavation of coal & OB Removal	66,376	32,068
	<b>Total</b>	<b>1,09,889</b>	<b>76,271</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Rents	11	21
	Repairs & maintenance	165	263
	Insurance	10	13
	<b>Rates and taxes</b>		
	Royalty	30,505	13,962
	DMF	5,109	3,565
	NMET	610	322
	Cess	624	558
	Revenue price	20,212	6,343
	MPGSVA Exp	7,218	7,765
	Forest tax coal exp	2,868	810
	Other rates and taxes	664	384
	<b>Administrative and Selling Expenses</b>		
	Operating expenses	766	128
	Purchase of survey stones	24,574	7,272
	Discount on sales	-	335
	Transport and wagon loading charges	1,244	591
	Selling expenses	346	687
	Prospecting & Mining Lease expenses	938	705
	Office & General expenses	1,926	1,685
	Payment to auditors (refer note no 35.1)	19	10
	Audit fee for other auditors	75	11
	Printing & stationery	70	77
	Corporate Social Responsibility Expenses ( Refer Note No.48)	3,545	2,054
	Remuneration to outsourced services	4,966	5,014
	Bad & Doubtful Debts	476	-
	Assets written off	-	662
	Provision for doubtful advances	2,571	3,146
	Data processing charges	73	67
	Rehabilitation expenses	1,798	7,738
	Donations	-	503
	Miscellaneous expenditure	31	27
	<b>Total</b>	<b>1,10,757</b>	<b>53,716</b>



35.1	<b>Payment to Auditors</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Statutory audit Fee	13	10
	<b>Total</b>	<b>13</b>	<b>10</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:		
	<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	<b>Current Tax Expenses :</b>		
	Current Income tax charge	24,563	19,640
	<b>Total (A)</b>	<b>24,563</b>	<b>19,640</b>
	<b>Deferred Tax Expenses:</b>		
	In respect of current year origination and reversal of temporary differences	12,874	2,212
	<b>Total (B)</b>	<b>12,874</b>	<b>2,212</b>
	<b>Total (A+B)</b>	<b>37,438</b>	<b>21,852</b>
	<b>Other Comprehensive Income</b>		
	<b>Items that will not be reclassified to P&amp;L</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(75)	(139)
	Leave encashment	60	(185)
	<b>Total</b>	<b>(15)</b>	<b>(324)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Profit/(loss) before tax as per statement of profit and loss	1,43,391	81,524
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	computed tax expense	36,089	20,518
	<b>Tax effect of :</b>		
	a) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	12,874	2,212
	b) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	892	517
	b) Change in depreciation & Amortisation	(13,210)	(3,077)
	c) Provision for doubtful debts	647	792
	d) Other items	146	886
	<b>Total income tax expense for the year</b>	<b>37,438</b>	<b>21,852</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2024	As at 31.03.2023
A	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,547
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax	600	600
v	The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.100 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.		
	The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>85,765</p> <p>13,228</p>	<p>73,469</p> <p>12,296</p>
Vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and remining un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>2,262</p>



<b>B</b>	Contingent liability on BG's: Bank guarantees furnished to different Authorities on behalf of the company.	80,274	80,274
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2023-2024, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	<b>469</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>





### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,413	-	1,413
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other bank balances	-	-	66,733	-	66,733
Other financial assets	-	75	7,628	-	7,703
<b>Total</b>	-	<b>75</b>	<b>2,09,696</b>	-	<b>2,09,771</b>
<b>Financial Liabilities:</b>					
Borrowings	-	-	-	71,472	71,472
Lease Liability	-	-	-	134	134
Trade payables	-	-	-	19,437	19,437
Other financial liabilities	-	-	-	29,143	29,143
<b>Total</b>	-	-	-	<b>1,20,186</b>	<b>1,20,186</b>

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,068	-	1,068
Loans	-	-	30,470	-	30,470
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	39,871	-	39,871
Other Bank balances	-	-	63,705	-	63,705
Other Financial assets	-	73	1,04,369	-	1,04,442
<b>Total</b>	-	<b>73</b>	<b>2,75,960</b>	-	<b>2,77,033</b>



<b>Financial Liabilities:</b>				
Borrowings	-	-	59,835	59,835
Lease Liability	-	-	113	113
Trade payables	-	-	18,468	18,468
Other financial liabilities	-	-	74,370	74,370
<b>Total</b>	-	-	<b>1,52,787</b>	<b>1,52,787</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under:

Particulars	2023-24	2022-23
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2023-24	2022-23
Ageing	<12 Months	<12 Months
Gross carrying amount	74,564	37,477
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	74,564	37,477

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



#### i. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2023-24	2022-23
Selling price increase by 5%		
Barytes & Coal	17,677	9,915
Survey Stones	1,377	409
Selling price decrease by 5%		
Barytes & Coal	(17,627)	(9,915)
Survey Stones	(1,377)	(409)

##### b. Excavation & Transport Charges risk

Particulars	Impact on profit			
	2023-24		2022-23	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(306)	306	(327)	327
Excavation & transport charges for overburden	(1,870)	1,870	(1,883)	1,883
Excavation of Coal & OB Removal	(3,319)	3,319	(1,603)	1,603

#### 40. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>



**As at 31st March 2023**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>152,787</b>	<b>152,787</b>	<b>67,205</b>	<b>85,582</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2024	As at 31-03-2023
Employers contribution to provident fund	173	178
Employers contribution to pension fund	78	62

**B. Defined benefit plans**

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March 2023

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	694	546	706	498
Service cost	17	19	27	29
Interest expenses	47	38	52	35
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(139)	(44)	(36)	(36)
Remeasurements - actuarial (gains)/losses	65	134	(67)	178
<b>Benefit obligations at the end</b>	<b>684</b>	<b>694</b>	<b>682</b>	<b>706</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	503	510	822	801
Interest income	41	35	61	57
Employer contributions	224	5	6	5
Benefit payments from plan assets	(139)	(44)	(36)	(36)
Actuarial gain / (loss) on plan assets	0	0	(7)	(6)
<b>Benefit obligations at the end</b>	<b>519</b>	<b>503</b>	<b>845</b>	<b>822</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
PV of obligations at the end of the year	684	694	682	706
Fair value of plan assets at the end of the year	619	503	845	822
<b>Liability (+) / Asset (-) recognised in the balance sheet</b>	<b>65</b>	<b>191</b>	<b>(164)</b>	<b>(116)</b>

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Service cost	17	19	27	29
Interest expenses	6	2	(9)	(22)
<b>Net expense recognised</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>7</b>





iv. Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Actuarial (gain)/losses on obligations for the period	65	134	(67)	178
Actuarial (gain)/losses on plan assets for the period	10	5	7	6
<b>Net expense recognised</b>	<b>75</b>	<b>139</b>	<b>(60)</b>	<b>184</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Rate of discounting	7.21%	7.52%	7.21%	7.52%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.06%	13.29%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Expected cash flow in year 1	104	107	153	191
Expected cash flow in year 2	65	99	122	127
Expected cash flow in year 3	70	62	101	103
Expected cash flow in year 4	76	66	91	83
Expected cash flow in year 5	88	72	94	76
Expected cash flow in year 6	32	83	49	80
Expected cash flow in year 7	147	31	84	40
Expected cash flow in year 8	66	142	44	71
Expected cash flow in year 9	8	62	21	35



Expected cash flow in year 10	85	7	54	17
Expected cash flow in year 11+	485	525	123	142

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	684	674	0.00%	0.00%
Salary escalation - up by 1%	702	713	2.65%	2.75%
Salary escalation - down by 1%	664	672	2.91%	-3.16%
Withdrawal rates - up by 1%	691	700	0.96%	0.91%
Withdrawal rates - down by 1%	677	687	-1.07%	1.02%
Discount rates - up by 1%	645	656	-5.73%	-5.52%
Discount rates - down by 1%	729	737	6.52%	6.26%
Mortality rates - up by 10%	684	694	0.05%	0.05%
Mortality rates - down by 10%	684	693	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation : (Rs.in.Lakhs)		[% of change]	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	682	706	0.00%	0.00%
Salary escalation - up by 1%	712	735	4.40%	4.10%
Salary escalation - down by 1%	654	678	-4.10%	-3.90%
Withdrawal rates - up by 1%	682	706	0.00%	0.00%
Withdrawal rates - down by 1%	682	705	0.00%	-0.10%
Discount rates - up by 1%	658	683	-3.50%	-3.20%
Discount rates - down by 1%	707	730	3.70%	3.50%
Mortality rates - up by 10%	682	706	0.00%	0.00%
Mortality rates - down by 10%	682	706	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.



#### **x. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-03-2024	As at 31-03-2023
Profit after tax before exceptional items	106,119	59,782
Add: exceptional items	-	-
Profit after tax after exceptional items	106,119	59,782
Profit available for equity shareholders	106,119	59,782
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
<b>Basic and diluted earnings per share (In Rupees) – before exceptional item</b>	<b>168,613.73</b>	<b>94,971.37</b>
<b>Basic and diluted earnings per share (In Rupees) – after exceptional item</b>	<b>168,613.73</b>	<b>94,971.37</b>

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.2,36,138 Lakhs derived from four customers(P Y 1,40,544 Lakhs from five customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2023-24**

Particulars	For the year ended 2023-24			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	3,56,515	-	27,545	3,84,059
<b>Total segment revenue</b>	<b>3,56,515</b>	<b>-</b>	<b>27,545</b>	<b>3,84,059</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,772	12,772
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
Profit before exceptional items and tax	1,72,093	-	(28,537)	1,43,556
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	378	378
Profit before tax	1,72,093	-	(28,159)	1,43,934
Income tax - Current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
Profit after tax	1,72,093	-	(65,596)	1,06,497
<b>Other Information</b>				
Segment assets **	2,87,044	15,273	2,13,552	5,15,869
Segment liabilities **	1,56,962	3,696	54,295	2,14,952



Capital work in progress	539	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152
Non-cash expense other than depreciation and amortisation	-	-	3,851	3,851

\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

**Note:** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2022-23**

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,02,002	-	8,189	2,10,191
<b>Total segment revenue</b>	<b>2,02,002</b>	<b>-</b>	<b>8,189</b>	<b>2,10,191</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	97,984	-	-	97,984
Unallocated other income	-	-	8,931	8,931
Unallocated expenses and finance cost	-	-	(25,460)	(25,460)
<b>Profit before exceptional items and tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,460)</b>	<b>81,524</b>
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	219	219
<b>Profit before tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,241)</b>	<b>81,743</b>
Income tax - Current	-	-	(19,640)	(19,640)
Deferred tax	-	-	(2,212)	(2,212)
<b>Profit after tax</b>	<b>97,984</b>	<b>-</b>	<b>(38,093)</b>	<b>59,891</b>
<b>Other Information</b>				
Segment Assets **	2,17,255	16,166	3,14,532	5,47,953
Segment Liabilities **	1,45,060	8,861	69,565	2,23,486
Capital work in progress	332	-	582	914





Depreciation and amortisation	3,329	886	177	3,516
Non-cash expense other than depreciation and amortisation	-	-	3	3

#### 44. Related party transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at	As at
	31-03-2024	31-03-2023
<b>Subsidiaries</b>		
Ongole Iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	-

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL	
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	Fellow Government company / Authority
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited- APSFSCL	
The Commissioner SS&LR Department	

**B. Related party transactions**

**i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,592
Naandhi Granites India Private limited	175
Samyuktha Granite private limited	71
The Commissioner SS&LR Department	27,545

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Andhra Pradesh granite (Midwest) private limited	751	274
Naandhi Granites India Private limited	175	-
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	41,757	5,126

**III. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2024	As at 31-03-2023
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2024	As at 31-03-2023
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyan coal company limited	1	1
Nuagon coal company limited	60	60
Total	77	77
Investment derated/provision	77	77



<b>Investment in joint ventures</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RIP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Vaandhi Granites India Private limited	130	130
Shambhavi Stones AP Private limited	130	-
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	3	12

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
AP state Fibernet limited	10,000	10,000
Machil patnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500



**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1200	1200
The Commissioner SS&LR Department	10,833	3,098

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations



Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.30.54 crores against pending payables recognised in previous years.

**46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.





Onigole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimrex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**47. Deferred tax asset /(liability)**

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,363	2,472
Provision for lease liability		3
Other provisions	3,441	2,819
<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,257	1,879
Investments	85	85
Mining Infrastructure Assets	8,607	3,119
Mining Infrastructure Assets R&R – M'pet	8,519	
<b>Total deferred tax liability</b>	<b>18,468</b>	<b>5,083</b>
<b>Deferred tax asset /(liability) – net</b>	<b>12,663</b>	<b>(211)</b>

**48. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.944 (Previous Year Rs.716).
- b. Amount spent during the year

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Construction/ acquisition of any assets	-	-
Purpose other than above	3,545	2,054

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable
- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction - Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 3,545 lakhs (PY Rs. 2,054 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year should be shown separately:

Nil.



#### 49. Treatment of demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC [head office] are to be split between APMDC and TSMDC in the following ratio.
  - APMDC - 58.32%
  - TSMDC - 41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	631	368	263
Reserve & surplus	1,04,787	60,817	43,464
Deferred Govt. grants			



<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

<b>Assets</b>	<b>Common Pool</b>	<b>AP</b>	<b>TS</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### **Interim division of funds in current accounts, fixed deposits, sweep accounts**

During the year a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDCL on 29<sup>th</sup> January, 2024 and as per terms of the MDU, both APMDCL and TSMDCL have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio. Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs.1,393.43 crores and same has been distributed in the population ratio i.e. APMDCL @58.32% and TSMDCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCL respectively, vide Memo No.4354/M.II(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines.) Department, Government of Telangana.

#### **50. Loan to Andhra Pradesh State Fiber Net limited (AP5FL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RI.No.161 dated 22-11-2016 to give an interest free loan of Rs 100.00 crores to AP State Fibernet Limited (AP5FL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.



The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.Out of thesanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>





APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC.

It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021.



However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

#### **54. Non valuation of inventory**

##### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (62.34 lakhs MTs) is considered without value.

##### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2024 is 1.56 lakh MT's (including 501 MTs of Grade – 1) which the company has not valued.

##### **c. Inventory of survey stones**

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-03-2024.



## 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
Total		1,842.91

## 56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSC)

Company has received a letter from APSFSC with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSC.

Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-03-2024 for which deposit certificates have been obtained from the APSFSC. APMDCL has received interest regularly till 31-03-2024 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSC and confirmation of balance has been obtained.

## 57. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS & LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.





## **58. Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020.

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No.103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.

## **59. Joint ventures**

Corporation has executed Joint venture agreements for development of black galaxy granite deposits in prakasam district from time to time and as per agreement terms following associate is incorporated and free ride equity shares were allotted and details of same is as under.

Sl.no	Name of the associate	No of shares allotted	% of holding	Nature of shares
1	Shambhavi Stones AP Private limited	13,00,000	26%	Equity

The above equity shares were allotted as free ride equity shares as per respective joint venture agreements executed by the corporation with the agencies. Further, transactions with these parties are mentioned in the relative section of related party transactions – note 44.

## **60. Leases (Ind AS 116)**

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the year ended March 31, 2024:

- (i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the year ended March 31, 2024.



(ii) **Movement in Lease liability with Current/Non-Current break-up:**

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	113	53
Additions during the year	167	185
Finance cost accrued during the period	8	13
Payment of lease liabilities	155	138
Balance at the closing of the year	134	113

**Amounts recognised in profit or loss**

Particulars	As at 31-03-2024	As at 31-03-2023
Interest expenses	8	13
Depreciation charge for right-of-use assets	140	119

**Contractual maturity analysis of undiscounted lease liabilities is given below:**

**Maturity Analysis of lease liabilities (undiscounted):**

Particulars	As at 31-03-2024	As at 31-03-2023
Less than one year	134	113

**61. Note on provision for decommissioning**

Name of the project	As at 31-03-2023	Provision made during the year	Provision reversed during the year	As at 31-03-2024
Mangampet-Barytes	686	57	71	672
Ballclay	36	3	8	31
Mangampet - Dolomite	595	49	61	583
Suliyari - Coal	8,470	683	1,086	8,067
<b>Total</b>	<b>9,787</b>	<b>792</b>	<b>1,226</b>	<b>9,353</b>

During the year 2023-24, Mine closure plan provision was re-assessed in respect of barytes mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 71 lacks. Out of which, an amount of Rs. 8 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance of Rs. 63 lakhs is withdrawn and credited to Profit and Loss of the Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of Ball clay mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 8 lakhs. Out of which, an amount of Rs.6 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance Rs. 2 lakhs is withdrawn and credited to Profit and Loss of Current Year.





During the year 2023-24, Mine closure plan provision was re-assessed in respect of Dolomite mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 61 lakhs. Out of which, an amount of Rs.61 lakhs is adjusted against the Gross amount of Decommissioning Asset in Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of coal mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 1,086 lakhs. This amount is adjusted against decrease in the value of Decommissioning Asset in the Current Year.

62. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

### 53. Analytical Ratios

The following are analytical ratios for the year ended 31<sup>st</sup> March, 2024.

Sl.no	Particulars	Numerators	Denominators	31-03-24	31-03-23	Variance (In %)
1	Current Ratio	Current Assets	Current Liabilities	1.93	1.66	16.34%
2	Debt Equity Ratio(*)	Total Debt	Shareholders' funds	0.24	0.18	28.80%
3	Debt service (**) coverage ratio	Earnings available for debt service	Debt services	10.38	6.15	68.66%
4	Return on equity (**)	Profit after tax	Average shareholders fund	35.34%	18.46%	91.44%
5	Inventory (**) turnover ratio	Cost of goods sold or sales	Average Inventory	19.7	15.5	27.04%
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	6.86	6.55	4.70%
7	Trade payable (**) turnover ratio	Net credit purchases	Average trade Payables	7.09	5.61	26.50%
8	Net Capital (**) turnover Ratio	Net Sales	Working capital	3.17	2.51	26.57%
9	Net profit ratio	Net profit	Net sales	27.69%	28.49%	-2.83%
10	Return on capital employed (**) :	Earnings before interest and taxes	Capital employed	44.29%	23.28%	90.28%



11	Dividend (a) payout Ratio	Total Dividend	Net income	122.52%	-	122.52%
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(\*1,2,3,7,8) Due to payment of dividend

(\*4,5,6) Increase in Sullyari project and survey stones project sales and profitability.

#### 64. Additional Information

##### a. Particulars of consumption of stores & spares

(Rs.in. Lakhs)

Particulars	Figures as at the end of March 31, 2024		Figures as at the end of March 31, 2023	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	165	100.00	263	100.00
<b>Total</b>	<b>165</b>	<b>100.00</b>	<b>263</b>	<b>100.00</b>

##### b. Value of imports calculated on CIF basis and expenditure in foreign currency

(Rs.in. Lakhs)

Particulars	31-03-2024	31-03-2023
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 65. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023 and 20<sup>th</sup> January, 2025 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023, the board of directors of the company in their meeting held on 5<sup>th</sup> February, 2025 approved the financial statements for the year ending 31<sup>st</sup> March, 2024.



In view of this, the reported amounts as on 31<sup>st</sup> March, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023. Necessary adjustments if any will be made in subsequent years.

#### **66. Payment of dividend**

During the year company has paid an interim dividend of Rs.400.00 crores for the financial year 2022-23 and Rs.900.00 crores for the financial year 2023-24.

#### **67. Additional Regulatory Disclosures.**

- a. There are no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The company has not been declared a willful defaulter by any bank or financial institutions.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.



- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts.
- h. The company uses accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.
- i. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the financial year.

#### **68. Note on consolidation of following joint ventures/associates**

- a. The financial statements of Samyuktha Granite Private Limited, Naandhi Granites India Private Limited, and Shambhavi Stones AP Private Limited are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention and applicable accounting standards as prescribed under Section 133 of the Companies Act, 2023 ("Act"). These financial statements have been considered for consolidation, as the management has conducted an impact analysis of the differences between IGAAP and IND AS. Since the differences are immaterial, the holding company's management has incorporated the share of loss from the three joint ventures, amounting to Rs. 76 lakhs, into the consolidation.
- b. During the financial year 2023-24 Samyuktha granite private limited has restated its financial statement for the previous year (2022-23). As a result of the restatement, corporation has restated the consolidated financial statement of the previous year. Due to this, the total share of profit of the joint venture/associates are reduced by Rs. 50 lakhs and corresponding reduction in investments in previous year.

#### **69. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O and incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.

#### **70. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.



- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- d. All amounts have been reported in Rs. In lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. {0} mentioned in the financial statements represents value less than Rs.0.50 lakhs

For M N RAO & ASSOCIATES  
Chartered Accountants  
Firm Regn No.0053865

*Satish Kumar*  
Ch.Satish Kumar  
Partner  
Mem No.229921



for and on behalf of the board of directors

*My*  
Mukesh Kumar Meena  
Managing Director  
DIN:01232593

*Rubana*  
G. Rama Subbaiah  
Director  
DIN: 10915409

*Phani*  
V.V.V. Phani Kumar  
General Manager-F&A

Place: Vijayawada  
Date: February 05, 2025

UDIN: 25229921 TML EBA 2128







## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**The Andhra Pradesh Mineral Development Corporation Limited**

### **Report on the Audit of Standalone Financial Statements (Special Purpose Interim Financial Statements)**

#### **Qualified Opinion:**

We have audited the accompanying Standalone Financial Statements (Special Purpose Interim Financial Statements) of **The Andhra Pradesh Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> December 2024 and containing comparative figures as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss for the 9 months period ended 31<sup>st</sup> December 2024 (including Other Comprehensive Income) and containing comparative figures for year ended 31<sup>st</sup> March 2024, the Statement of Cash Flows for the 9 months period ended 31<sup>st</sup> December 2024 and containing comparative figures for the year ended 31<sup>st</sup> March 2024 and the Statement of Changes in Equity for the 9 months period ended 31<sup>st</sup> December 2024 and containing comparative figures for the year ended 31<sup>st</sup> March 2024 along with notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our Report, the aforesaid Financial Statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the:

- a) In case of Balance Sheet (Special purpose Interim), of state of affairs of the Company as at 31<sup>st</sup> December 2024,
- b) In case of Statement of Profit and Loss (Special purpose Interim) including Other Comprehensive Income, of profit of the Company for the 9 months period ended 31<sup>st</sup> December 2024,
- c) In case of Statement of Changes in Equity (Special purpose Interim), for the 9 months period ended 31<sup>st</sup> December 2024, and
- d) In case of Statement of Cash Flows (Special purpose Interim), of cash flows for the 9 months period ended 31<sup>st</sup> December 2024.

#### **Basis for Qualified Opinion:**

1. Refer Note 48 of the accompanying Financial Statements, where the company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC.

**Head Office** : Vaishnavi Plaza (2<sup>nd</sup> Floor), # 40-6/3-9, Near V. P. Siddhartha Public School, Mogalrajapuram, Vijayawada - 520 010, Andhra Pradesh, INDIA.

**Branch Offices** : • Tenali • Hyderabad • Narasaraopet



The Company has passed entries for Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income tax of the erstwhile entity was recovered from APMDC Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

Sl. No	Name of the ledger	Note no	Classification	Rs. lakhs	in Dr/Cr
1	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	2,630.94	Cr
2	Vijayawada (bank)	11	Cash and cash equivalents	208.70	Dr

2. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, Extra shift depreciation as per Sch II is not being provided for equipment(s) which are continuously used in the mining operations.

**3. Non-Conformity with Ind AS 115 - Revenue from Contracts:**

APMDC has neither adopted nor disclosed the 5-step model specified in Ind AS 115 to account Revenue arising from contracts with customers which requires that the Revenue be recognized to an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to a customer. Further, Revenue has to be measured at standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment.

**i) Recognition & Measurement - Grade Variance of Coal not adjusted to Revenue:**

As per Ind AS 115, Revenue has to be measured at standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment. However, Grade Variances on account of quality difference in coal as per Clause 6 of Sale Agreement with Adani Power Limited (APL) has not been adjusted to Revenue disclosed in Note 27 of the accompanying Financial Statements, which constitutes a departure from Ind AS 115. Accordingly, Revenue & Profit are overstated by Rs.25.24 Cr (Basic Coal Value).

- ii) Ministry of Coal has declared Seam wise Annual Grade of Coal for the FY: 2024-25. Based on the seam wise estimated production for the year, APMDC has declared the Composite Grade of Coal (Weighted Avg.) for the FY: 2024-25 as **G-7**. The actual quantities of Seam-Wise Coal production may vary from estimates, which could lead to a change in the declared grade of coal and Revenue. The precise effect on Financial Statements, due change in declared Grade of Coal (if any) could not be ascertained, until the completion of FY: 2024-25.



**iii) Measurement – Statutory Levies included in Revenue:**

As per Ind AS 115, transaction price “... is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, **excluding** amounts collected on behalf of third parties (for example, some sales taxes).” Revenue disclosed in Note 27 of the accompanying Standalone Financial Statements is inclusive of all Statutory Levies excl. GSTs per Note 2(f) of the Significant Accounting Policies. As, inappropriate accounting policy cannot be rectified by disclosure, measurement of Revenue by incl. Statutory Levies, constitutes a departure from Ind AS 115. Accordingly, Revenue disclosed in Note 27 is overstated by Rs. 464.04 Cr and corresponding overstatement of Rates & Taxes (Note-35 Other Expenses) by Rs. 464.04 Cr for the period of nine months ended 31-Dec-2024.

- iv) We draw attention to Note 58 in the accompanying Financial Statements, where the management has disclosed that, the Sale Agreements with Barytes customers have expired in June-2024 and basing on Government Orders, APMDC has been Invoicing customers on existing rates, until the finalization of new rates. The Revenue disclosed in Note 27 of the accompanying Financial Statements is subject to change based on the finalized sale rate of Barytes. In the absence of adequate information, the resulting effect on the Financial Statements could not be ascertained.

**4. Loss Allowance for Expected Credit Losses / impairment as required under Ind AS 109:**

- a) Corporation has stated in Note No.10 of the accompanying Standalone financial statements that a total amount of Rs.790.36 Cr was outstanding towards unsecured trade receivable being considered good by the Management. In our opinion, receivables those beyond certain period as decided by the board and those disputed in courts (if any) should have been classified under the heads 'significant increase in credit risk' and 'credit impaired' and adequate loss allowance from profit before tax should have recognised for expected credit losses in accordance with Ind AS 109. This resulted in overstatement of profit and overstatement of trade receivables.
- b) Of the Rs.790.36 Cr trade receivables in Note 10, Rs.426 Cr is due from the Survey Settlements & Land Records (SS&LR) Dept., Govt. of Andhra Pradesh, for supply of survey stones by APMDC. These receivables are unsecured and no guarantee is provided by the government. As per Sl. No. 4(d) of G.O.Ms.No.33 dt. 30-May-2023, payment should be made via adjustment bill to APMDC's PD account, but no funds were received in FY 2022-23, FY: 2023-24 or during FY: 2024-25. Management has not provided any expected Credit Losses on the same.
- c) Further, Out of the Rs.790.36 Cr trade receivables in Note 10, Rs. 152.4 Cr is due from Dept., of Mines and Geology, Andhra Pradesh towards sand operations carried on by the company as an agent during FY: 2022-23. These receivables are unsecured and no guarantee is provided by the government. Management has not provided any expected Credit Losses on the same.
- d) Further, Corporation has not provided the list of trade receivables which remain uncollected for more than 3 years and exceeded the limitation period for filing suit in the court, but where no legal case was filed for recovery.
- e) An amount of Rs.45.29 Cr only was kept under 'Reserve for Bad and Doubtful Debts' by the Company as on 31-Dec-2024. We are of the opinion that the Company should create adequate provision for loss allowance from profit before tax (instead of appropriation of after-tax profit as reserve) in accordance with Ind AS 109 for bad and doubtful trade receivables, and other recoverable.



- f) Balance confirmations are not obtained for the Trade receivables disclosed in Note 10 of the accompanying Standalone Financial Statements, and the balances remained unreconciled. Further, corporation has no regular system to maintain ageing analysis of trade receivables. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the financial statements.
5. There exists long outstanding credit balances towards advances received from customers, trade payables, security deposits payable, EMD Payable Penalty Suspense, Statutory Dues Payable, and Other deposits payable which are disclosed in Note No.18, 20, 23, 24 and 25 of the accompanying Standalone financial statements and remain unpaid and unreconciled. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Even though, Corporation has disclosed an accounting policy for de-recognition of financial liabilities which were discharged, expired or cancelled in accordance with Ind AS 109 in Note 2(x), the same is not being followed / implemented. The precise effect of consequential adjustments upon such confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
6. There exists long outstanding advances given to Govt. Departments, Deposits with Collectors, Security Deposits, amounts recoverable from vendors & customers, which are disclosed in Note No. 5, 6, 8, 12 & 14 of the accompanying Standalone financial statements and remain outstanding and unreconciled. Further, confirmations / Utilization Certificate from Parties are also not available. Even though the corporation has disclosed an accounting policy for de-recognition of financial assets in accordance with Ind AS 109 in Note 2(x), & an accounting policy for impairment as per Ind AS 36 in Note 2(i), the same is not being followed / implemented. The precise effect of consequential adjustments upon such Utilization Certificate / confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
7. Refer Note 38, where the company has disclosed Classification of Financial Instruments as per Ind AS 109 as Amortized Cost & FVTPL. However, Loans and advances given to staff at concessional rate of interest, Trade Receivables, Trade Payables, Other Financial Assets & Other Financial Liabilities are not accounted at fair value and required disclosures have not been made as per Ind AS 109.
8. Note 35 Other expenses does not include Rs 55.65 Cr for the year and Rs 989.93 Cr for previous years totalling to Rs 1,045.58 Cr payable by the company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT), as on reporting date though the company required to contribute 10% of the sales turnover to MERIT, which was formed by State Government (G.O.Ms. No 18 dated 13-Jan-2016) in place of Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. Rather, the liability towards the contribution is disclosed as contingent Liability in Note -37 to accounts quoting that Company requested (November 2019) the Government for exemption from contributing 10% of sales turnover and a fixed amount would be contributed. As per the latest information (Feb-2025) no exemption was granted by the State Government / MERIT. Hence suitable provision should have been recognised along with disclosures. Thus, non-recognition of provision resulted in understatement of Other Expenses and Other current liabilities (Note-25) by Rs 1,045.58 Cr each with consequent overstatement of the Profit for the year by the same amount.





9. The Company has been generally filing Income Tax Returns based on Provisional Financials (up to FY:2023-24) without fully complying with the provisions of the Income Tax Act. Refer Note 8, where the Company stated Corporate Tax Receivable amounting to Rs. 245.48 Cr which are pending on account of various disputes at different forums & Refer Note 26, where the company has stated Provision for Income Tax Payable amounting to Rs.144.53 Cr for previous years. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Any consequential effect on account of actual tax liability based on the audited financial statements of previous years on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the financial statements.

Further, APMDC has recognized Current Tax & Deferred Tax for the period of 9 months ended 31-Dec-2024 in the statement of profit & Loss based on internal assessment. The estimate of Provision for Current Tax & Deferred Tax is subject to change on completion of 12 months period and subsequent completion of Tax Audit u/s 44AB of Income Tax Act based on Audited Financial Statements. The precise effect of consequential adjustments upon such allowances / disallowances on completion of Tax Audit, if any, on the Financial Statements is not ascertainable.

10. The Board of Directors have declared an Interim Dividend of Rs.1,000 Cr during the FY: 2023-24. Further, out of the interim dividend declared, only an amount of Rs. 900 cr. was paid, leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.
11. The company is required to disclose Contingent Liabilities as per Ind AS 37. The best estimate of contingent liabilities is disclosed in Note 37 to the accompanying Standalone Financial statements for the period ended 31-Dec-2024. The same could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification. Further, the disclosure in Note 37 does not contain details of current status of dispute, management estimate of outcome, accrued interest payout and amount involved for which no provision is made.

Further, the disputed income tax demands as disclosed as at 31-Dec-2024 in Note 37 of the accompanying Standalone Financial Statements is not matching with latest demand outstanding notice for which reconciliation and current status of dispute is not provided. Certain demands are found to be adjusted with income tax refund due, which are stated as receivable under Note 8 (Others – Balance with Statutory Authorities).

## 12. Inventory

- a) Physical Verification of Inventories on 31-Dec-2024 has not been carried on by the Management or by an external agency. Management has arrived at the quantities of closing stock of coal, Barytes & Survey Stones as on 31-Dec-2024 based on the Opening Stock, Production and Dispatch records. In the absence of physical verification of Inventories, the actual quantities as on 31-Dec-2024 may differ from the reported quantities by the management. Therefore, the precise effect due to any consequential variances in the quantities of inventories, cannot be ascertained.
- b) Refer Note 2(i) & Note 53, where company has recognized closing stock for C+D+W Grade of Barytes only for a quantity of 15 lakh MTs as against the actual quantities of 83.3 Lakh MT and considering no value for the remaining stock of 68.3 Lakh MTs (approx.), as management expect this grade not to fetch any value in the market. However, tender for sale of C+D+W Grade barytes has been issued during Feb-2025 and sale prices were fixed at Rs.1,188/- per MT. Therefore, the estimate of the management that the C+D+W grade material has no market value is not appropriate and not in line with Ind AS 2 - resulting in undervaluation of Inventory to an extent of Rs. 635 Cr. approx. (68.3 Lakh MT @ Rs.929.25 / MT – Wt. Avg. Cost of C+D+W as on 31-Dec-2024).





13. The total Mine Closure Cost for Suliari Coal Mine as per the Mining Plan is Rs.526.6 Cr to be incurred over a period of 26 years & the company recognized Decommissioning Asset & corresponding Provision for Decommissioning based on Mine Closure guidelines of Ministry of Coal for Total Mine Closure (Refer Note 2(p)). However, as per Clause 16.2(b) read with Clause 7.6 of the agreement between APMDC & M/s Adani Enterprises Limited (AEL), Mining Fee payable to AEL shall also include costs incurred towards "Progressive Mine Closure activities" and therefore, no additional cost is to be incurred by APMDC towards Progressive Mine Closure activities. In the absence of adequate information relating to Total Mine closure cost apportionment between AEL & APMDC, we were unable to ascertain the adequacy and extent of Decommissioning Asset (Note 3.3) & Provision for Decommissioning (Note 19) recognised in the Standalone Financial Statements and their corresponding accumulated depreciation & Unwinding Costs debited to Profit & Loss for the 9 months period ended 31-Dec-2024. The precise effect due to the consequent distribution of Mine Closure costs between AEL & APMDC could not be ascertained.
14. We draw your attention to Note 34, where the company expensed Rs. 306 Cr towards Removal of Overburden in Barytes (Mangampet Mine) achieving Stripping Ratio of 3.01, as against 1.78 Stripping Ratio as per Mining Plan. The management has represented that, the significant increase in OB Removal in Mangampet Mine during the year is on account of OB removed in the adjacent Dolomite Mine, which is not included in computation of Stripping ratio of the Barytes Mining Plan. The expenses incurred for OB removal of Dolomite mine is required to be considered as Development expenditure and is required to be capitalized as per Accounting Policy disclosed in Note 2(aa). The OB Excavation expenses of Rs. 306 Cr is not allocated / apportioned between Barytes & Dolomite Mine and is charged entirely to Revenue for the 9 months period ended 31-Dec-2024. In the absence of bifurcation of the OB excavation expenditure between Barytes & Dolomite Mine, we are unable to ascertain the impact on profit & Loss account. Accordingly, the accounting policy selected and adopted by the company for accounting Overburden removal costs is not in line with Para 10, 11 & 12 of Ind AS 8.
15. Refer Note 34, where company has disclosed Excavation of Coal & Overburden of Suliari Mine of Rs. 541 Cr. for the 9 months period ended on 31-Dec-2024. Adjustments to the Mining Fees on account of Short / Excess OB removal & Annual Reconciliations as per terms of the agreement with Mine Development Operator (MDO) are yet to be carried out for FY: 2021-22, FY: 2022-23, FY: 2023-24 & for the current period of 9 months ended 31-Dec-2024. The precise effect of these adjustments (if any) on the Excavation Charges disclosed in Note 34 of the Financial Statements could not be ascertained, in the absence of information.

Further, the payments for Excavation of Coal & Overburden Charges are being made based on the effective Mining Fee applicable on date of sale to customers by APMDC instead of Mining Fee applicable on the date of Production of Coal by MDO, which is not in line with the agreement terms. In the absence of adequate information, the precise effect on the Financial Statements could not be ascertained.

Further, APMDC has not adopted any policy on accounting for Shortfall / excess Overburden removal during the year as compared the Overburden Removal as per the Stripping Ratio of the Mining Plan, which is not in line with Para 10, 11 & 12 of Ind AS 8. The precise effect on the Financial Statements could not be ascertained in the absence of information.



16. Note 14 (Other Current Assets) of the accompanying Standalone financial statements primarily comprises of GST Input Tax Credit (ITC) receivables representing accumulation of ITC due to inverted duty structure & RCM applicable on royalty. Management estimates to utilize this accumulated ITC in future for payment of Output GST based on various factors such as volume increase and price revisions, change in business operation model (i.e., departmental capabilities in place of outsourcing), changes in output GST Rate, diversification of business etc., However, the scale and magnitude of GST ITC accumulation by the company in recent years is significant (Rs. 374 Cr as on 31-Dec-2024 as compared to Rs.256 Cr as on 31-Mar-2024 & Rs. 120 Cr as on 31-Mar-2023). With the company not having any departmental operations and the fact that, the entirety of the mining operations outsourced, the anticipated use of the GST ITC by the management may not align with the estimates, potentially necessitating write-offs which can have a substantial impact on the profit.
17. As per Para 13 of Ind AS 8, an entity shall select and apply its accounting policies consistently for similar transactions & it shall be selected and applied consistently to each category. The Company has not adopted any Accounting Policy in respect of treatment for R&R Costs.
- a) In respect of Mangampet mine, the R&R costs incurred at the inception of the project is not found as an asset, as the same is charged to revenue as and when incurred. However, R&R Costs of Rs. 445 Cr were capitalized as Mining Assets during FY: 2023-24 and amortized over the remaining life of the mine (5 Years). Further, justification for incurring R&R costs when the mine is nearing closure is not available.
  - b) In respect of Suliyari Mine, the entire R&R Costs and Mine Development Costs are capitalized as Mining Infrastructure Assets as and when incurred, which is in contrary to the accounting for R&R costs adopted for Mangampet Mine.

As the Company has neither adopted & disclosed the accounting Policy nor applied the accounting treatment for these costs consistently in respect of R&R Costs, the same is not in line with Para 10, 11, 12 & 13 of Ind As 8. The precise effect of consequential adjustments on the Standalone Financial Statements on adoption of the accounting policy by the company is not ascertainable.

**18. Suliyari Coal project, Madhya Pradesh:**

- a) The company has outsourced the entire Mine Development & Operations of Suliyari Coal Mine, Madhya Pradesh to "Adani Enterprises Limited" (MDO) & around 67% of coal produced during the period ended 31-Dec-2024 is sold to "Adani Power Limited" (APL) vide a coal supply agreement for 5 years. During the period of 9 months ended 31-Dec-2024, the average sale rate of coal to APL is significantly lower compared to the avg. sale rate to other parties, resulting in forgone potential revenue of Rs. 219 Cr. The documentation along with justification of awarding the Mine Production & Sale agreements to parties related to each other are not on record.
- b) Further, Liquidated Damages / Compensation / Penalties for delay in commencement of Coal production as per the terms of the agreement are not levied on AEL by APMDC. Further, no waiver by competent authority is available on record.
- c) Additionally, Interest bearing Performance Security Deposit (PSD) of Rs.250 Cr is taken from Adani Power Limited (APL) by APMDC instead of a Bank Guarantee. Justification of the management in accepting Interest bearing PSD instead of Interest free Bank Guarantee cannot be ascertained.



- d) An amount of Rs. 1,727 Cr was capitalized towards R&R and Mine Development Costs of Suliari Coal Mine as on 31-Dec-2024. As the records relating to the costs incurred during the previous years are not available, we are unable to comment on the appropriateness of the R&R and Mine Development Costs capitalized in previous years.

In the absence of any effective documented Risk Management Policy by the company, we are unable to ascertain the corresponding effect on the Standalone financial Statements and operations of the Suliari Mine, due to potential Risks (if any) involved in the aforesaid matters.

19. Corporation has not obtained confirmation of MSME classification from vendors and hence, bifurcation of trade payables to MSME and others is not disclosed as required under Schedule III of Companies Act. Further, the ageing of Trade Payables, Trade Receivables & Capital Work in Progress, Cost & Time Overrun of CWIP is not disclosed as required under Schedule III of Companies Act, 2013.

**20. Interest Free Loan to Andhra Pradesh State Fiber Net Limited (APSFL):**

The Company has released an interest free unsecured loan of Rs. 100 Cr during the financial year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly instalments starting from FY: 2018-19 and ending in FY: 2021-22. APSFL has not repaid the instalments due in FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 as per terms of the agreement till date. The said loan is unsecured and not backed up by any government guarantee.

The management has not provided for impairment on the loan amount as it is confident of the recovery of the loan. In the absence of Audited Financial Statements of APSFL from FY 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

**21. Loan to Machilipatnam Urban Development Authority (MUDA):**

The Company has released unsecured loan of Rs. 200 Cr. to M/s Machilipatnam Urban Development Authority ("MUDA") on 01-Nov-2018 bearing interest at 8% per annum and repayable in 45 days. Despite multiple requests for repayment by APMDC, both the principal and the outstanding interest remain unpaid as on date. The said loan is an unsecured loan and is not backed by any government guarantee.

Additionally, APMDC received G.O.Ms. No. 32 dated 14-Mar-2024 to Waive off Rs.7.07 Cr of principal amount and corresponding interest that is recognised in the books of account. The Company has not written off / impaired the Loan. Further, in the absence of Audited Financial Statements of MUDA from FY 2018-19 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



Further, the management has not provided for impairment on the loan amount as it is confident of the recovery of the loan, but on the other hand management has not recognized Interest Income amounting to Rs. 96.74 Cr for the period of 2207 days from 16.12.2018 to 31.12.2024 (excl. penal interest leviable under Clause 4 of loan agreement), on the basis of the accounting policy stating that Interest Income on irregular / overdue advances are recognized on realization basis. Thus, the practice of the Company to defer the recognition of interest accrued on loan referring to its accounting policy disclosed at 2(f)(iv) to recognise interest income on irregular / overdue advances on realisation basis is not justified and appropriate to that extent since neither uncertainty in realisation of the said loan was justified nor carrying amount of loan was impaired. As, inappropriate accounting policy cannot be rectified by disclosure. Deviation from accrual basis of accounting results in understatement of Other Income and Loans by Rs. 96.74 Cr each with understatement of Profit by the same amount.

22. Refer Note 28 - Other Income to the accompanying financial statements, where the corporation has recognized Penalty income of Rs. 83.55 Crores (Penalty on ROM – Rs. 37.03 Cr & Penalty on Buyers – 46.52 Cr), arising from short production of coal by Mine Development Operator (MDO) & Penalty on short lifting of coal by Customers relating to FY 2022-23 and FY: 2023-24. The basis for calculation of this Penalty income has not been provided. Further, any corresponding penalties payable by APMDC for short despatch to customers & short lifting of coal produced by MDO was neither paid nor recognized as provision in the books of account. The same is not disclosed as an Exceptional Item in the statement of Profit & Loss & no restatement of the previous year Financial Statements has been carried out even though it exceeds the limit adopted by the company in Note 2(ab). Due to non-availability of the supporting records, we are not able to ascertain and comment on the correctness of the Income recognised under the head Penalty for the period of 9 months ended 31-Dec-2024.

23. APMDC has secured a term loan from SBI at an initial interest rate of 7.20% to fund the Capex of the Suliari Coal Mine. Subsequently, on 13-Oct-2021, it received an interest-bearing Performance Security Deposit (PSD) from Adani Power Limited (APL) at an initial interest rate of 9%, payable to APL on a quarterly basis. The decision to accept an interest-bearing PSD from APL instead of a cost-free bank guarantee lacks commercial justification.

Furthermore, APMDC has invested Rs. 555 Cr. in Inter-Corporate Deposits (ICDs) of Andhra Pradesh State Financial Services Corporation (APSFSC), earning an initial interest rate of 5% per annum. These ICDs are redeemable with a 21-day notice. The investment was made using Rs. 250 Cr. from the interest-bearing PSD received from APL, along with other bank balances of APMDC. This has resulted in APMDC borrowing at higher interest rates (Term Loans & PSD) while investing in ICDs at lower interest rates, leading to a revenue loss for the Corporation.

The financial rationale behind the management's decision to continue holding these ICDs, despite their redeemability within 21 days, and not utilizing the funds to repay borrowings remains unclear. The total revenue loss to APMDC from inception could not be determined due to the fluctuating nature of interest rates on these borrowings.

24. APMDC has employed maximum of 341 Nos. of Contract employees during April-2024, with a monthly remuneration totaling to Rs. 1.15 Cr during that period and debited Rs. 6.7 Cr for the period of 9 months period ended 31-Dec-2024 to the statement of profit & loss.

On comparison with Dec-2024, the No. of Contract Employees substantially dropped to 74 Nos. from 341 Nos. and the monthly remuneration to Rs.0.5 Cr from Rs. 1.15 Cr. The designations of the contract employees during FY: 2024-25 were DEO or DPO and the Job Descriptions were not specified in the terms of the agreement. Further, we are unable to obtain any explanation and justification of the management for the significant decline in the total no. of contract employees. In the absence of sufficient & adequate information, we are unable to ascertain the existence and accuracy of the Contract Employee Cost of Rs. 6.7 Cr debited to profit & loss for the period of 9 months ended 31-Dec-2024 under Employee Benefit Expenses.





We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements (Special Purpose Interim) section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matter Paragraph:**

Without qualifying our opinion, we draw attention to the following matters in the Financial Statements:

1. Refer Note No. 2(b), where the company disclosed the purpose of preparation of these Financial Statements (Special Purpose Interim) and the basis of the reporting framework adopted by it. The Financial Statements are prepared for use by the Board of Directors & Investment Bankers for filing Offer Document / Placement Memorandum with SEBI and Other Regulators, in respect of private placement of securities by the company.
2. Refer Note No. 68(e), where the company disclosed that the Financial Statements (Special Purpose Interim) as at and for the 9-month period ended 31<sup>st</sup> December 2024 are prepared in accordance with Ind AS 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India except for the comparative figures that have not been included in Financial Statements (Special Purpose Interim) as at and for the 9 month period ended 31<sup>st</sup> December 2023 as per the requirements of Ind AS 34, instead the comparative figures for the year ended 31<sup>st</sup> March 2024.
3. Refer Note No. 64, the supplementary Audit of C&AG for the FY: 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24 is yet to be completed and thus, same are yet to be adopted by the members in Annual General Meeting. As the Financial statements along with independent auditors' report of the corporation for the FY: 2023-24 are yet to be adopted by the members in AGM, (company submitted the Audited Financial Statements of FY: 2023-24 to CAG for supplementary Audit on 18-Feb-2025), the comparative figures for previous year 2023-24 which are provided in the financial statements for current period of 9 months are unadopted.
4. Refer Note No. 45, the company has paid an amount of Rs. 0.39 Cr against outstanding balances pertaining to sand operations, which was carried over from the previous year financials on which previous auditors have issued a disclaimer of opinion.

**Information Other than the Financial Statements (Special Purpose Interim Financial Statements) and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Financial Statements and our Auditor's Report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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





In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Financial Statements (Special Purpose Interim Financial Statements):**

The Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of Financial Statements (Special Purpose Interim Financial Statements):**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

#### **Restriction on Distribution and Use**

These Financial Statements (Special Purpose Interim) have been prepared by the management and this audit report thereon is intended for its inclusion in the Offer Document / Placement Memorandum to be filed with SEBI and other regulators in connection with the private placement of securities by the Board of Directors of the company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**Place: Vijayawada**  
**Date: 24-Feb-2025**  
**UDIN: 25250883BMKPEO8862**



**For M. N. Rao & Associates**  
**Chartered Accountants**  
**Firm Reg. No: 005386S**

**(D.S.S Srikanth)**  
**Partner**  
**Membership No.: 250883**

**The Andhra Pradesh Mineral Development Corporation Limited**

**Standalone balance sheet as at December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at December 31, 2024	As at March 31, 2024
<b>ASSETS</b>			
<b>1] Non-current assets</b>			
(a) Property, plant and equipment	3	5,852	7,210
(b) Right-of-use assets	3.1	22	133
(c) Capital work in progress	3.2	540	556
(d) Intangible assets	3.3	1,88,752	1,95,406
(e) Intangible assets under development	3.4	8,548	8,906
<b>[f] Financial assets</b>			
(i) Investments	4	500	500
(ii) Loans	5	453	383
(iii) Other financial assets	6	11,059	6,665
(g) Other non-current assets	8	50,016	41,676
<b>Total non-current assets</b>		<b>2,65,934</b>	<b>2,63,435</b>
<b>2] Current assets</b>			
(a) Inventories	9	27,001	20,741
<b>(b) Financial assets</b>			
(i) Trade receivables	10	79,037	74,564
(ii) Cash and cash equivalents	11	41,530	28,899
(iii) Other bank balances	11	56,585	66,733
(iv) Loans	12	30,100	30,076
(v) Other financial assets	13	715	1,038
(c) Other current assets	14	40,583	29,480
<b>Total current assets</b>		<b>2,75,551</b>	<b>2,51,521</b>
<b>TOTAL ASSETS</b>		<b>5,41,485</b>	<b>5,14,956</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1] Equity</b>			
(a) Equity share capital	15	631	631
(b) Other equity	16	3,51,453	2,99,373
<b>Total equity</b>		<b>3,52,084</b>	<b>3,00,004</b>
<b>Liabilities</b>			
<b>2] Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	47,843	55,974
(ii) Lease Liability			
(iii) Other financial liabilities	18	6,090	6,131
<b>(b) Provisions</b>	19	10,093	9,453
<b>(c) Deferred tax liability (net)</b>	7	14,663	12,613
<b>(d) Other non-current liabilities</b>	20	254	254
<b>Total non-current liabilities</b>		<b>78,965</b>	<b>84,475</b>
<b>3] Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Short Term Borrowings	21	10,800	15,438
(ii) Lease Liability	22	23	134
(iii) Trade payables	23	8,528	19,437
(iv) Other financial liabilities	24	21,475	23,012
<b>(b) Other current liabilities</b>	25	55,176	57,943
<b>(c) Current tax liabilities</b>	26	14,453	14,451
<b>Total current liabilities</b>		<b>1,10,455</b>	<b>1,30,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,41,485</b>	<b>5,14,956</b>
<b>Notes to financial statements</b>	<b>1-68</b>		

The accompanying notes are an integral part of these standalone financial statements.

As per our report

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: D053865



D.S.S. Srikanth


Partner

Mem No 250883



For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaniah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A



UDIN: 95250883BMEPC08862

Place : Vijayawada  
Date : February 21, 2025

**The Andhra Pradesh Mineral Development Corporation Limited**

**Standalone statement of profit and loss for the nine months period ended December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the period ended December 31, 2024	For the year ended March 31, 2024
I Revenue from operations	27	2,20,562	3,84,059
II Other income	28	13,744	12,890
III Total income (I+II)		2,34,306	3,96,949
IV Expenses			
Change in inventories of finished goods	29	(6,255)	(2,207)
Employee benefits expense	30	3,540	5,254
Finance costs	31	5,457	7,678
Depreciation and amortization expense	32	15,642	21,151
Power and fuel	33	610	870
Excavation and transport charges	34	89,338	1,09,889
Other expenses	35	56,008	1,10,757
Total expenses (IV)		1,64,340	2,53,393
V Profit before tax (III-IV)		69,965	1,43,557
VI Tax expense/(benefit)			
Current tax	36	15,855	24,563
Deferred tax	36	2,019	12,874
Total tax expense/(benefit) (VI)		17,874	37,438
VII Profit for the year (V-VI)		52,091	1,06,119
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations)		(31)	(15)
(ii) Income tax on above items		-	-
Total other comprehensive income for the year (VIII)		(31)	(15)
IX Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the reporting period) (VII+VIII)		52,060	1,06,104
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	82,601.80	1,68,276.58
- Diluted (Rs.)		82,601.80	1,68,276.58
Notes to financial statements	1-68		

The accompanying notes are an integral part of these standalone financial statements.

As per our report

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No- 0053865

  
D.S.S. Srikanth

Partner

Mem No 250883

For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbalah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 21, 2025



UDIN: 25250883BMKPE08862



The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the nine months period ended December 31, 2024  
 All amounts are in Rs. Lakhs, unless otherwise stated.

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
Cash flow from operating activities		
Profit before tax from continuing operations	69,965	1,43,557
Adjustments for:		
Interest expense	4,797	6,874
Unwinding of discounting on provisions	660	804
Interest income	(4,573)	(11,638)
Depreciation and amortisation expense	15,542	21,152
Dividend income	(220)	(1,651)
Provision for bad & doubtful advances	-	2,571
Bad & doubtful debts	-	476
Liabilities no longer required written back	(6)	(17)
Operating profit before working capital changes	86,263	1,63,590
Adjustments for:		
Increase/(decrease) in trade payables	(10,909)	959
Increase/(decrease) in provisions	(84)	(9,878)
Increase/(decrease) in other financial liabilities	(1,574)	(45,092)
Increase/(decrease) in other liabilities	(2,757)	15,017
Decrease/(increase) in trade receivables	(4,472)	(27,564)
Decrease/(increase) in inventories	(6,270)	(2,249)
Decrease/(increase) in other assets	(17,445)	6,582
Decrease/(increase) in other financial assets	(4,071)	36,739
Cash generated from operations	38,710	1,97,154
Direct taxes paid (net of refunds)	15,855	25,617
Net cash flow from/(used in) operating activities (A)	22,854	1,66,537
Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWP and capital advances	(17,336)	(60,871)
Movements in other bank balances	10,149	(3,028)
Loans to staff	(93)	10
Interest received	4,575	11,608
Dividend income	220	165
Net cash flow from/(used in) investing activities (B)	7,515	(52,117)
Cash flow from financing activities		
Proceeds from borrowings	(17,827)	11,637
Interest paid	(4,797)	(6,874)
Payment of lease liability	(124)	(155)
Dividends paid including interim dividend	-	(1,30,000)
Net cash flow from/(used in) financing activities (C)	(17,728)	(1,25,392)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	12,633	(10,972)
Cash and cash equivalents at the beginning of the year/period	28,899	39,871
Cash and cash equivalents at the end of the year/period	41,530	28,899
Components of cash and cash equivalents		
Cash on hand	1	1
Balances with scheduled banks		
With current accounts	41,529	28,898
Total cash and cash equivalents (Note 31)	41,530	28,899

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicates outflow.

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7.

As per our report

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No. DU54865

D.S.S. Srikanth

Partner

Mem No. 250883



UDIN: 25950883RMKP608862

For and on behalf of the Board of Directors

Sri Pravin Kumar  
 Managing Director  
 DIN: 07106418

G. Rama Subbaiah  
 Director  
 DIN: 10915409

V.V.V. Phani Kumar  
 General Manager - F&A



Place : Vijayawada

Date : February 21, 2025



**The Andhra Pradesh Mineral Development Corporation Limited**

Statement of changes in equity for the nine months period ended December 31, 2024

**A. Equity share capital**

Particulars	No. of Shares	(Rs. in Lakhs)
Balance as at April 1, 2023	63,062	631
Changes in equity share capital during 2023-24		
Balance as at April 1, 2024	63,062	631
Changes in equity share capital during 01-04-2024 to 31-12-2024		
Balance as at December 31, 2024	63,062	631

**B. Other equity**

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2023	370	2,147	17,050	1,04,001	(57)	(343)	(30)	3,23,119
Profit for the year	-	-	-	1,06,119	-	-	-	1,06,119
Free ride equity shares in Joint Ventures	130	-	-	-	-	-	-	130
Other comprehensive income for the year	-	-	-	-	-	(15)	-	(15)
Total comprehensive income for the year	130	-	-	1,06,119	-	(15)	-	1,06,234
Transfer to reserve for bad and doubtful debts	-	2,741	-	(2,741)	-	-	-	-
Interim Dividend (FY 2023-24)	-	-	-	(50,000)	-	-	-	(50,000)
Interim Dividend (FY 2022-23)	-	-	-	(40,000)	-	-	-	(40,000)
Balance as at March 31, 2024	500	4,888	17,050	2,77,879	(57)	(358)	(30)	2,94,872
Profit for the period	-	-	-	52,091	-	-	-	52,091
Other comprehensive income for the period	-	-	-	-	-	(31)	-	(31)
Total comprehensive income for the period	-	-	-	52,091	-	(31)	-	52,060
Transfer to reserve for bad and doubtful debts	-	(360)	-	360	-	-	-	-
Balance as at December 31, 2024	500	4,528	17,050	3,29,830	(57)	(389)	(30)	3,51,432

As per our report

For M N Rao & Associates

Chartered Accountants

Firm Regn No. 3053885

D.S.S. Srikanth

Partner

Mem No. 250883



For and on behalf of the Board of Directors

*(Signature)*  
Sri Pravin Kumar

Managing Director

D.N. 07106418

*(Signature)*  
G. Rama Subbalah

Director

D.N. 10975439

*(Signature)*  
Sri M. N. Prasad Kumar

General Manager - F&A

Place : Vijayawada

Date : February 21, 2025



UDIN: 95250883BMKPE0886L

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamalluru Mandal, Vijayawada, Andhra Pradesh-521137

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013

#### b. Basis of preparation of financial statements and compliance with Indian Accounting Standards ("Ind AS")

The financial statements for the period from April 1, 2024, to December 31, 2024, comprise the Balance Sheet as at December 31, 2024; the Statement of Profit and Loss (including Other Comprehensive Income); the Statement of Cash Flows; the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). These financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), as specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other recognized accounting principles and policies generally accepted in India. However, they do not include certain presentation and disclosure requirements prescribed under Ind AS 34, such as certain explanatory information and comparative financial information. Accordingly, the financial statements have been prepared using a framework by the management of the Company for use by the Board of Directors and investment bankers for the purpose of private placement of securities.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise



**d. Use of Judgements, Estimates and Assumptions**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period.

Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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

**Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.



The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MER, cess collected on behalf of third parties except Goods and Service Tax.





## **ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.

## **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

## **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

## **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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





An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining assets are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.



**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 53).



#### **m. Employee benefits**

##### **Short term employee benefit obligations**

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

The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

##### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

##### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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

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

#### **Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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





**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.





The company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.



At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

##### **iv. De-recognition of financial assets**

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

#### **Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.





#### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.





Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**

Property, Plant and Equipment, Capital work in progress, Intangible assets, Unamalgable assets under development, Right of use asset for the nine months period ended December 31, 2024

Note - 3

(Rs. in Lakhs)

**Property, Plant And Equipment For The Period Ended 31.12.2024**

Particulars	Gross Block				Depreciation Block				Net Block		
	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation for the Year	Impairment Loss *	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Land	5,568	-	1,079	4,589	-	-	-	-	-	4,589	5,668
Quarters & Pucca Constructions	446	37	-	485	284	23	-	-	307	178	164
Mining Equipment	722	-	-	722	613	19	-	-	632	90	105
Furniture & Fixtures	329	0	-	329	181	38	-	-	219	110	107
Office Equipment	276	1	-	278	240	17	-	-	257	27	37
Data Processing Equipment	373	14	-	387	108	36	-	-	343	44	65
Vehicles	327	-	-	327	233	80	-	-	263	64	94
Tools & H. Is	153	10	-	163	114	29	-	-	142	21	40
Plant & Machinery	3,679	56	-	3,736	2,506	172	-	-	2,978	758	874
Leasehold building	255	-	-	255	202	-	-	-	202	55	55
<b>Total</b>	<b>12,229</b>	<b>118</b>	<b>1,079</b>	<b>11,369</b>	<b>5,019</b>	<b>358</b>	<b>-</b>	<b>-</b>	<b>5,377</b>	<b>5,992</b>	<b>7,210</b>
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
<b>Total</b>	<b>12,229</b>	<b>118</b>	<b>1,079</b>	<b>11,369</b>	<b>5,019</b>	<b>358</b>	<b>-</b>	<b>-</b>	<b>5,377</b>	<b>5,992</b>	<b>7,210</b>
Previous year - 2023-24	11,637	593	-	12,229	3,466	639	914	-	5,019	7,210	8,121

\*As per directions of the Government of AP, corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Anantapuram and Srikakulam for supply of survey stones to the S&R Department, Government of AP and finalised contractors on turnkey basis. Out of the four units, Rajikurava unit in Prakasam district has commenced operations in the year 2022-2023 and stopped production in the month of August, 2023. In view of uncertainty in continuing future operations, management has decided to impair the plant and machinery in the year 2023-24. Accordingly, an amount of Rs.914.00 lakhs has been recognised as an impairment costs in financial year 2023-24.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation for the Year	Disposal / Adjustments / transfer	Accumulated Depreciation as at December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Right of use asset	169	-	18	142	37	107	24	119	27	133
<b>Total</b>	<b>169</b>	<b>-</b>	<b>18</b>	<b>142</b>	<b>37</b>	<b>107</b>	<b>24</b>	<b>119</b>	<b>27</b>	<b>133</b>
Previous year - 2023-24	274	169	174	169	171	140	274	37	133	102



**Note 3.2 Capital work in progress**

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	1,261	924
Add: Additions during the reporting period	1,005	539
Less: Transferred to Property, Plant & Equipment	951	193
Closing Gross Carrying Value	1,315	1,261
Accumulated Impairment Allowance		
Balance at the Beginning of the year/period	705	-
Add: Additions during the year/period		705
Closing Accumulated Impairment Allowance	705	705
Closing net carrying value	610	556

**Capital work in progress ageing schedule as at 31.12.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	115	711	294	-	640
Projects temporarily suspended	-	130	160	209	705

**Capital work in progress ageing schedule as at 31.03.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	216	340	-	-	556
Projects temporarily suspended	130	366	209	-	705

As per directions of the Government of AP, corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SS&A department, Government of AP and engaged contractors on turnkey basis. Out of the four units, Bailuraya unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs.725.00 lakhs has been recognised as an impairment costs in the year 2023-24.

**3.3 Intangible Assets**

Particulars	As at December 31, 2024	As at March 31, 2024
Computer software	217	149
Decommissioning assets	6,287	6,570
Mining infrastructure assets	1,55,619	1,54,642
Mining infrastructure assets - R&R - Mypet	25,628	33,849
<b>Total</b>	<b>1,88,752</b>	<b>1,95,406</b>

**A. Computer Software**

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	423	14
Add: Additions during the year/period	8	139
Less: Disposals/adjustments/transfer	-	-
Closing Gross Carrying Value	430	423
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	77	32
Add: Additions during the year/period	136	45
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	213	77
Net carrying value	217	346

**B. Decommissioning Assets**

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	7,177	8,345
Add: Additions during the year/period	-	0
Less: Disposals/adjustments/transfer	-	1,168
Closing Gross Carrying Value	7,177	7,177
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	607	264
Add: Additions during the year/period	283	349
Less: Deletions / Adjustments	-	6
Closing Accumulated Impairment Allowance	890	619
Net carrying value	6,287	6,570



C.Mining Infrastructure Assets		
Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	1,60,112	1,52,678
Add: Additions during the year/period	7,554	13,434
Less: Disposals/adjustments/transfer	-	-
Closing Gross Carrying Value	1,72,666	1,66,112
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	10,470	2,774
Add: Additions during the year/period	6,577	7,696
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	17,047	10,470
Net carrying value	1,55,619	1,55,642

Corporation has incurred an amount of Rs.1,65,112 lakhs till the end of previous financial year on its Sullyari coal mine project and same has been capitalised under mining Infrastructure assets. Additionally, during the current reporting period an amount of Rs.7,554 lakhs has been capitalised and amortised based on the unit of production method.

#### D.Mining Infrastructure - R&R-Jalpet

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	44,513	-
Add: Additions during the year/period	962	44,513
Less: Disposals/adjustments/transfer	-	-
Closing Gross Carrying Value	45,475	44,513
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	10,664	-
Add: Additions during the year/period	8,162	10,664
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	18,847	10,664
Net carrying value	26,628	33,849

Corporation has incurred an amount of Rs.44,513 lakhs till the end of previous financial year towards R&R costs in connection with the Mangampet barytes project. During the current reporting period, an amount of Rs.962 lakhs has been capitalised and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.

#### 3.4 Exploration Intangible assets under development

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	8,906	6,116
Add: Additions during the year/period	35	2,550
Less: Adjustments/transfer	342	-
Closing Gross Carrying Value	8,598	8,906
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	-	-
Add: Additions during the year/period	-	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	-	-
Net carrying value	8,598	8,906

#### Exploration Intangible assets under development Ageing schedule as at 31.12.2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35	2,590	1,947	4,031	8,598
Projects temporarily suspended	-	-	-	-	-
Total Exploration Intangible assets under development					8,598

#### Exploration Intangible assets under development Ageing schedule as at 31.03.2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,285	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration Intangible assets under development					8,906

The Corporation has incurred and capitalized an amount of Rs.8,598 lakhs towards the development of Brahmadaha Coal Mine till the end of the current reporting period. The mining plan for the project has been approved, and the management have confident about commencing its commercial operations in the next one to two years.





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the nine months period ended December 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at	As at
		December 31, 2024	March 31, 2024
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s AFMDC - SCCI Vijayawada company limited		
	5,100 equity shares (March 31, 2024: 5,100) of Rs 10/- each		
	fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s Nandam coal company limited		
	3,000 equity shares (March 31, 2024: 3,000) of Rs 100/- each		
	fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s Andhra phosphate (P) Ltd.		
	1,110 equity shares (March 31, 2024: 1,100) of Rs 1,000/-		
	each fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	iv. M/s Ongole non ore mining company private limited		
	56,100 equity shares (March 31, 2024: 55,300) of Rs 10/- each		
	fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	v. M/s Aswani mineral development private limited		
	55,000 equity shares (March 31, 2024: 64,500) of Rs 10/- each		
	fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi. M/s SRAP mineral private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii. M/s Arham mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii. M/s Sra mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	ix. M/s Mangasree granites private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s Ongole mineral exports private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi. M/s RUP granite private limited		
	3,75,000 equity shares (March 31, 2024: 3,75,000) of Rs 10/- each		
	fully paid up	38	38
	Less: Provision made for diminution in the value of shares	(38)	(38)
	xii. M/s A.P. coastal sands & metals private limited		
	13,000 equity shares (March 31, 2024: 13,000) of Rs 10/- each		
	fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s Andhra Pradesh tribal mining private limited		
	28,600 equity shares (March 31, 2024: 28,600) of Rs 10/- each		
	fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)





xiv. Samyuktha Granite Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs. 10/- each fully paid up	130	130
xv. Naanghi Granites India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs. 10/- each fully paid up	130	130
xvi. Shambhavi Stones & P Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs. 10/- each fully paid up	130	130
<b>Investment in Joint Ventures</b> xvii. M/s. A.P. Granites (Madhwa) private limited 11,00,000 equity shares (March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110	110
xviii. M/s. Anance & P Black Galaxy Granites private limited 11,00,000 equity shares (March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xix. M/s. Pullavared granite private limited 11,00,000 equity shares (March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xx. M/s. Gempex & P barytes beneficiation private limited 1,320 equity shares (March 31, 2024: 1,320) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xxi. M/s. Andhra baryte corporation private limited 8,52,500 equity shares (March 31, 2024: 8,52,500) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xxii. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares (March 31, 2024: 6,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xxiii. M/s. Arima baryte private limited 4,50,000 equity shares (March 31, 2024: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xxiv. M/s. M.V. Minerals private limited 1,100 equity shares (March 31, 2024: 1,100) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
<b>Investments measured at amortised cost</b> Investment in Government Securities (unquoted) Less: Provision made for doubtful investment	71 (71)	71 (71)
	500	500
Aggregate amount of quoted investments - Market value		-
Aggregate amount of quoted investments - Book value		-
Aggregate amount of unquoted investments	500	500
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investments	71	71



5	Loans (Non-current)	As at December 31, 2024	As at March 31, 2024
	Loans and advances to employees		
	Unsecured, considered good	453	383
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>453</b>	<b>383</b>
6	Other financial assets (Non-current)	As at December 31, 2024	As at March 31, 2024
	Security Deposits		
	Unsecured, considered good	285	257
	Unsecured, considered doubtful	91	91
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>285</b>	<b>257</b>
	Balance in current amounts (Frozen)	209	204
	Deposits in the form of bank guarantees	7,932	3,856
	Deposit in Bank under Mine Closure plan *	2,613	2,347
	Unsecured, considered doubtful		
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>11,059</b>	<b>6,665</b>
* Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened and deposits are made as required. (Refer note no.6)			
7	Deferred tax liability (Net)	As at December 31, 2024	As at March 31, 2024
	Deferred tax asset		
	Provision for decommissioning costs	2,526	2,361
	Provision for leave liability / assets	0	0
	Provision for bad & doubtful debts, investments & advances	1,418	1,441
	<b>Total deferred tax asset</b>	<b>3,944</b>	<b>3,804</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,210	1,257
	Investment	85	85
	Mining Infrastructure asset	12,642	8,607
	Mining Infrastructure Assets - R&E -M&P	6,702	8,519
	<b>Total deferred tax liability</b>	<b>20,647</b>	<b>18,468</b>
	<b>Net deferred tax (asset)/liability</b>	<b>16,693</b>	<b>12,663</b>
8	Other non-current assets	As at December 31, 2024	As at March 31, 2024
	A) Capital advances		
	Unsecured, considered good	1,672	2,696
	Unsecured, considered Doubtful	2,654	2,654
	Less: Provision for doubtful advances	(2,654)	(2,654)
	<b>Total</b>	<b>1,672</b>	<b>2,696</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,874	14,075
	Unsecured, considered Doubtful	5,210	5,212
	Less: Provision for doubtful advances	(5,210)	(5,212)
	<b>Total</b>	<b>14,874</b>	<b>14,075</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	31,472	26,257
	Unsecured, considered Doubtful	1,882	1,882
	Less: Provision for doubtful advances	(1,882)	(1,882)
	<b>Total</b>	<b>31,472</b>	<b>26,257</b>
	D) Prepaid expenses	-	648
	<b>Total (A+B+C+D)</b>	<b>50,018</b>	<b>43,676</b>



9	<b>Inventories</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Finished goods (Refer note. 53)		
	- Barytes	23,211	12,618
	- Coal	4,628	7,985
	Less: Provision for obsolete stock		(8)
	Stores and spares	143	135
	<b>Total</b>	<b>27,982</b>	<b>20,731</b>
	Method of valuation: Refer Note no. 2(i) of significant accounting policies		
10	<b>Trade receivables (Current)</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Unsecured, considered good	79,037	74,843
	Unsecured, considered credit impaired	3,417	3,417
	Less: Impairment allowance for doubtful debts	(3,417)	(3,417)
	Unbilled Receivables	-	721
	<b>Total</b>	<b>79,037</b>	<b>74,564</b>
	Refer note no. 51		
11	<b>Cash and cash equivalents</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts and sweep accounts	41,529	28,898
	Cash on hand	1	1
	(A)	<b>41,530</b>	<b>28,899</b>
	Other bank balances		
	Deposits in banks with maturity >3 months and <12 months	1,085	11,233
	Deposits with APSPFC	55,500	55,500
	(B)	<b>56,585</b>	<b>66,733</b>
	<b>Total</b>	<b>98,115</b>	<b>95,632</b>
12	<b>Loans (current)</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Vehicle loans to staff		
	Secured, considered good	22	14
	Unsecured, considered good		
	Loan to AP state (Bharat Limited & Machilipatnam Urban Development) Authority- Refer Note. 49 & 50	50,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	78	62
	<b>Total</b>	<b>30,100</b>	<b>30,076</b>
13	<b>Other financial assets (Current)</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Interest accrued on deposits		
	Unsecured, considered good	559	1,283
	Less: Provision for the doubtful portion	(244)	(744)
	<b>Total</b>	<b>715</b>	<b>1,038</b>
14	<b>Other current assets</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	A) Advances recoverable		
	Unsecured, considered good	831	745
		<b>831</b>	<b>745</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	16,081	27,555
	Prepaid expenses	1,503	990
	Others	168	190
	<b>Total</b>	<b>18,752</b>	<b>28,735</b>
	<b>Total</b>	<b>40,584</b>	<b>29,480</b>



15	Equity share capital	As at	As at
		December 31, 2024	March 31, 2024
	Authorized share capital: 1,00,000 equity shares of Rs. 1,000/- each (December 31, 2024 - 1,00,000 equity shares of Rs. 1,000/- each)	1,000	1,000
		1,000	1,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs. 1,000/- each fully paid up (December 31, 2024 - 63,062 equity shares of Rs. 1,000/- each)	631	631
		631	631
15.1 Additional notes			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at December 31, 2024	As at March 31, 2024
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year/period		
	Shares outstanding at the end of the year/period	63,062	63,062
15.2 Rights, preferences and restrictions attached to equity shares			
The company has one class of equity shares having a par value of Rs. 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
15.3 The details of shares in the Company held by each shareholder holding more than 5% shares			
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh represented by assistant secretary to Government (Mines) Industries & Commerce department	63,062 (99.995%)	63,062 (99.995%)
15.4 Details of Shareholding of Promoters			
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh represented by assistant secretary to Government (Mines) Industries & Commerce department	63,062 (99.995%)	63,062 (99.995%)
16	Other equity	As at December 31, 2024	As at March 31, 2024
	Capital reserves		
	Free ride equity shares for consideration other than cash allotted by:		
	i. M/s. Aswani mineral development private limited 55,000 equity shares (March 31, 2024: 55,000) of Rs. 10/- each fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	ii. M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	iii. Arham mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs. 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	iv. Isra mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs. 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	v. Morgasree granites private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs. 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)





vi. Ongole mineral exports private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33 (33)	33 (33)
Less: Provision made for diminution in the value of shares		
vii. RLP granite private limited 1,25,000 equity shares(March 31, 2024: 1,25,000) of Rs. 10/- each fully paid up	33 (33)	33 (33)
Less: Provision made for diminution in the value of shares		
viii. M/s A.P. granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
ix. M/s Alliance A.P. black galaxy granites private limited 11,90,000 equity shares(March 31, 2024: 11,90,000) of Rs. 10/- each fully paid up	119 (119)	119 (119)
Less: Provision made for diminution in the value of shares		
x. M/s Pallavero granites private limited 1,10,000 equity shares(March 31, 2024: 1,10,000) of Rs. 100/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
xi. M/s A.P. coasta sands & metals private limited., 13,000 equity shares(March 31, 2024: 13,000) of Rs. 10/- each fully paid up	1 (1)	1 (1)
Less: Provision made for diminution in the value of shares		
xii. M/s.Ongole iron ore mining company private limited 55,100 equity shares(March 31, 2024: 55,100) of Rs. 10/- each fully paid up	6 (6)	6 (6)
Less: Provision made for diminution in the value of shares		
xiii. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs. 10/- each fully paid up	0 (0)	0 (0)
Less: Provision made for diminution in the value of shares		
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs. 10/- each fully paid up	85 (85)	85 (85)
Less: Provision made for diminution in the value of shares		
xv. M/s Andhra Pradesh iron ore company limited 5,850 equity shares(March 31, 2024: 5,850) of Rs. 10/- each fully paid up	1 (1)	1 (1)
Less: Provision made for diminution in the value of shares		
xvi. M/s.Trinixa baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs. 10/- each fully paid up	45 (45)	45 (45)
Less: Provision made for diminution in the value of shares		
xvii. M/s.M.V. Minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs. 100/- each fully paid up	1 (1)	1 (1)
Less: Provision made for diminution in the value of shares		
xviii. Sampaththa Granite Private limited 11,00,000 equity shares (March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		





iii. Namdhi Granites India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 20/- each fully paid up	130	130
iv. Shambhavi stones AP Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 10/- each fully paid up	130	130
	<b>500</b>	<b>500</b>
<b>Other comprehensive income</b>		
Opening balance	(445)	(430)
Other comprehensive Income for the year/period	(31)	(35)
Add/(Less): Transferred from/to retained earnings		
Closing balance	(475)	(465)
<b>Reserve for bad and doubtful debts</b>		
Opening balance	4,889	2,147
Add/(Less): Transferred from/to profit and loss account	(360)	2,741
Closing balance	<b>4,529</b>	<b>4,889</b>
<b>General reserve</b>		
Opening balance	17,019	17,019
Closing balance	<b>17,019</b>	<b>17,019</b>
<b>Retained earnings</b>		
Opening balance	2,77,410	3,04,030
Add/(Less): Profit for the year/period	32,091	1,06,110
	<b>3,24,500</b>	<b>4,10,151</b>
<b>Less: Appropriations</b>		
Reserve for bad and doubtful debts	(360)	2,741
Interim Dividends		1,30,000
Total appropriations	(360)	1,32,741
Closing balance	<b>3,23,860</b>	<b>2,77,410</b>
<b>Total</b>	<b>3,51,433</b>	<b>2,99,373</b>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

17	Borrowings	As at December 31, 2024	As at March 31, 2024
	Term loan from Banks - Secured		
	From State Bank of India	47,845	55,974
	<b>Total</b>	<b>47,845</b>	<b>55,974</b>

Term loan of Rs. 918 Crores availed from State Bank of India, Industrial finance Bank, Guntur with ROR of (MCLR + 25%) 6 months MCLR for Development of Suryari Coal Block in Andhra Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly installment of Rs 9 crores in 9 years 12 months. The company has been regular in repayment of principal and interest on due dates.



18	Other financial liabilities (Non-current)	As at December 31, 2024	As at March 31, 2024
	Expenses payable against infrastructural development	1,483	1,483
	Deposits	173	173
	Others	4,435	4,475
	<b>Total</b>	<b>6,091</b>	<b>6,131</b>
19	Provisions (Non-current)	As at December 31, 2024	As at March 31, 2024
	Provision for employee benefits		65
	Provision for gratuity	56	
	Provision for others		
	Provision for decommissioning cost*	10,035	9,388
	<b>Total</b>	<b>10,091</b>	<b>9,453</b>
* Refer note no 20			
20	Other non current liabilities	As at December 31, 2024	As at March 31, 2024
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
21	Borrowings (Current)	As at December 31, 2024	As at March 31, 2024
	Rupee Term Loan from Banks - Secured		
	from State Bank of India		
	Current maturities term loan	10,800	10,800
	Cash Credit		4,699
	<b>Total</b>	<b>10,800</b>	<b>15,499</b>
Term loan of Rs 515 Crores secured from State Bank of India, Industrial Finance Bank. Conlur with 301 of [MCLR+0.25%] 6 months MCLR for Development of Surjan Coal block in Marhaya Prades. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. The loan is repayable through monthly installment of Rs 5 crores in 5 years 10 months. The company has been regular in repayment of principal and interest on due dates.			
Cash Credit limits of Rs 100 crores with RDI of [MCLR+0.10%] 6 months MCLR availed on 20.01.2024 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (Both Present & future) of the company As at the end of Current reporting period company has no outstanding balance under this cash credit facility			
22	Particulars	As at December 31, 2024	As at March 31, 2024
	Lease Liability (Refer note no 59)	134	134
	<b>Total</b>	<b>134</b>	<b>134</b>
23	Trade payables (Current)	As at December 31, 2024	As at March 31, 2024
	Trade payables (Refer Note.61)		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	8,528	19,437
	<b>Total</b>	<b>8,528</b>	<b>19,437</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below			
	Particulars	As at December 31, 2024	As at March 31, 2024
	a) Principal amount and interest due thereon	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			



24	Other financial liabilities (Current)	As at December 31, 2024	As at March 31, 2024
	Salaries & other benefits payable	13	142
	Earned money and security deposits from customers	2,092	4,649
	Other financial liabilities	19,110	18,222
	Total	21,215	23,013
25	Other current liabilities	As at December 31, 2024	As at March 31, 2024
	Advance from customers	37,431	44,090
	Statutory liabilities	17,245	13,653
	Other liabilities	-	-
	Total	54,676	57,743
26	Current liabilities	As at December 31, 2024	As at March 31, 2024
	Provision for income tax	18,453	18,453
	Total	18,453	18,453



The Andhra Pradesh Mineral Development Corporation Limited

Notes to standalone financial statements for the nine months period ended December 31, 2024

All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the period ended December 31, 2024	For the year ended March 31, 2024
	Sale of products		
	Barytes	59,075	1,43,304
	Coal	1,58,810	2,09,245
	Survey stones		27,545
	Sale of services		
	Consideration	2,677	4,966
	<b>Total</b>	<b>2,20,562</b>	<b>3,84,059</b>
28	Other income	For the period ended December 31, 2024	For the year ended March 31, 2024
	Interest Income		
	Bank deposits	4,167	11,156
	Loans	4	4
	Others	6	137
	Income from Investments		
	Dividend from M/S AP Geonites (Mid-west) IP Ltd	120	165
	Other non operating income		
	Rent receipts	5	8
	Forfeiture of security deposit	557	815
	Other receipts	358	214
	Sale of tender documents	3	33
	Interest on delay in payment of minimum consideration	-	0
	Liabilities no longer required written back	6	71
	Penalties on RCIM	3,703	-
	Penalties on buyers	4,652	-
	Penalties on others	-	7
	Other miscellaneous income	21	123
	<b>Total</b>	<b>13,744</b>	<b>12,890</b>
29	Changes in inventories of finished goods	For the period ended December 31, 2024	For the year ended March 31, 2024
	a) Opening stock of finished goods	20,603	18,397
		20,603	18,397
	b) Closing stock of finished goods	26,858	20,603
		26,858	20,603
	<b>Changes in inventories of finished goods</b>	<b>(6,255)</b>	<b>(2,207)</b>
30	Employee benefit expenses	For the period ended December 31, 2024	For the year ended March 31, 2024
	Salaries and wages	2,671	3,814
	Contribution to provident fund and other funds	601	989
	Staff welfare expenses	268	451
	<b>Total</b>	<b>3,540</b>	<b>5,254</b>
31	Finance costs	For the period ended December 31, 2024	For the year ended March 31, 2024
	Unwinding of discount on provision	660	804
	Interest on lease liability	6	8
	Interest	4,320	6,331
	Other interests	472	535
	<b>Total</b>	<b>5,457</b>	<b>7,678</b>



32	<b>Depreciation and Amortization expense</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Depreciation of Property, Plant and Equipment	348	639
	Amortization of intangible assets	13,178	18,754
	Depreciation on right of use assets	107	140
	Impairment expenses	-	1,619
	<b>Total</b>	<b>13,633</b>	<b>21,151</b>
33	<b>Power and fuel</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Power and fuel	610	870
	<b>Total</b>	<b>610</b>	<b>870</b>
34	<b>Excavation and transport charges</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Excavation & transport charges for run of mine	4,573	6,120
	Excavation & transport charges for overburden	30,628	37,492
	Excavation of coal & OB removal	54,137	66,376
	<b>Total</b>	<b>89,338</b>	<b>1,09,988</b>
35	<b>Other expenses</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Rent	17	11
	Repairs & maintenance	106	165
	Insurance	21	10
	Rates and taxes	-	-
	Royalty	19,524	30,505
	DMF	2,823	5,109
	NMET	390	610
	Cess	285	624
	Reserve price	15,171	20,212
	MPPGVA Exp	5,418	7,218
	Forest tax coal exp	2,475	2,968
	Other rates and taxes	263	664
	Administrative and Selling Expenses	-	-
	Operating expenses	218	766
	Purchase of survey stones	-	24,574
	Transport and wagon loading charges	317	1,144
	Selling expenses	204	445
	Prospecting & Mining Lease expenses	28	938
	Office & General expenses	1,560	1,426
	Payment to auditors (refer note no 35.1)	10	13
	Audit fee for other auditors	16	25
	Printing & stationery	40	70
	Corporate Social Responsibility Expenses ( Refer Note No 47)	1,084	3,545
	Remuneration to outsourced services	4,200	4,966
	Bad & doubtful debts	-	476
	Provision for doubtful advances	-	2,571
	Data processing charges	212	73
	Rehabilitation expenses	1,097	1,248
	Donations	500	-
	Miscellaneous expenditure	27	31
	<b>Total</b>	<b>56,008</b>	<b>1,10,757</b>





35.1	<b>Payment to Auditors</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Statutory audit fee	10	13
	<b>Total</b>	<b>10</b>	<b>13</b>

### 36 Income Tax

The major components of income tax expense for the period ended December 31, 2024 and March 31, 2024 are:

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
<b>Current Tax Expenses:</b>		
Current income tax charge	15,855	24,563
<b>Total (A)</b>	<b>15,855</b>	<b>24,563</b>
<b>Deferred Tax Expenses:</b>		
In respect of current year origination and reversal of temporary differences	2,019	12,874
<b>Total (B)</b>	<b>2,019</b>	<b>12,874</b>
<b>Total (A+B)</b>	<b>17,875</b>	<b>37,438</b>

### Other Comprehensive Income

Items that will not be reclassified to P&L	For the period ended December 31, 2024	For the year ended March 31, 2024
Remeasurement of defined benefit plan loss/gain		
Gratuity	(10)	(75)
Leave encashment	(21)	(60)
<b>Total</b>	<b>(31)</b>	<b>(135)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
Profit/(loss) before tax as per statement of profit and loss	₹9,965	1,43,557
Applicable tax rate as enacted by the relevant finance Act	25.158%	25.168%
computed tax expense	17,609	₹6,110
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	2,019	12,874
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	273	892
b) Change in depreciation & Amortisation	(2,151.86)	(13,210)
c) Provision for doubtful items	-	647
d) Other items	126.00	104
<b>Total income tax expense for the year</b>	<b>17,875</b>	<b>37,438</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.12.2024	As at 31.03.2024
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,702
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax. Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237, dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>98,993</p> <p>5,565</p>	<p>85,765</p> <p>13,228</p>
Vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2023-24, the total demand raised, deposits made and remaining un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>2,262</p>



<b>B</b>	Contingent liability on BG's: bank guarantees furnished to different authorities on behalf of the company.	80,274	80,274
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998 1999 to 31-12-2024, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
Less: Share of TSMDC		-	{311}	-
Share of APMDC		-	469	-
Deposits made after 31.03.2016				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>





### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st December, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	500	-	500
Loans	-	-	30,553	-	30,553
Trade receivables	-	-	79,037	-	79,037
Cash and Cash equivalents	-	-	41,530	-	41,530
Other bank balances	-	-	56,585	-	56,585
Other financial assets	-	76	11,698	-	11,774
<b>Total</b>	-	<b>76</b>	<b>2,19,904</b>	-	<b>2,19,979</b>
<b>Financial liabilities:</b>					
Borrowings	-	-	-	58,645	58,645
Lease Liability	-	-	-	23	23
Trade payables	-	-	-	8,528	8,528
Other financial liabilities	-	-	-	27,566	27,566
<b>Total</b>	-	-	-	<b>94,763</b>	<b>94,763</b>

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
Financial Assets:					
Investments	-	-	500	-	500
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other Bank balances	-	-	66,733	-	66,733
Other Financial assets	-	75	7,628	-	7,703
Total	-	75	2,08,783	-	2,08,858





<b>Financial Liabilities:</b>					
Borrowings	-	-	-	71,472	71,472
Lease Liability	-	-	-	134	134
Trade payables	-	-	-	19,437	19,437
Other financial liabilities	-	-	-	29,143	29,143
<b>Total</b>	-	-	-	<b>1,20,186</b>	<b>1,20,186</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined/ modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	Up to 31-12-2024	2023-24
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,417	3,417
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,417
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	Up to 31-12-2024	2023-24
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	79,037	74,564
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	<b>79,037</b>	<b>74,564</b>

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and the management of these risks is explained below:



**i. Commercial risk**

**a. Sale price risk**

Particulars	Impact on profit	
	Up to 31-12-2024	2023-24
Selling price increase by 5%		
Barytes & Coal	10,894	17,627
Survey Stones	-	1,377
Selling price decrease by 5%		
Barytes & Coal	(10,894)	(17,627)
Survey Stones	-	(1,377)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	Up to 31-12-2024		2023-24	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(229)	229	(306)	306
Excavation & transport charges for overburden	(1,531)	1,531	(1,870)	1,870
Excavation of Coal & OB Removal	(2,707)	2,707	(3,319)	3,319

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st December 2024**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,528	8,528	8,528	-
Non-current financial liabilities	53,936	53,936	-	53,936
Current financial liabilities	32,299	32,299	32,299	-
<b>Total</b>	<b>94,763</b>	<b>94,763</b>	<b>40,827</b>	<b>53,936</b>





As at 31st March 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-12-2024	As at 31-03-2024
Employers contribution to provident fund	139	173
Employers contribution to pension fund	53	78

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> December, 2024 and 31<sup>st</sup> March 2024

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	684	694	682	706
Service cost	15	17	23	27
Interest expenses	35	47	34	52
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(73)	(139)	(95)	(36)
Remeasurements - actuarial (gains)/losses	6	55	20	(67)
<b>Benefit obligations at the end</b>	<b>666</b>	<b>684</b>	<b>663</b>	<b>682</b>



Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	619	503	845	822
Interest income	32	41	43	61
Employer contributions	36	224	9	6
Benefit payments from plan assets	(73)	(139)	(95)	(36)
Actuarial gain / (loss) on plan assets	(4)	(10)	(2)	(7)
<b>Benefit obligations at the end</b>	<b>610</b>	<b>619</b>	<b>801</b>	<b>845</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
PV of obligations at the end of the year	666	684	663	682
Fair value of plan assets at the end of the year	610	619	801	845
Liability (+) / Asset (-) recognised in the balance sheet	56	65	(138)	(164)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Service cost	15	17	23	27
Interest expenses	3	6	(9)	(9)
<b>Net expense recognised</b>	<b>18</b>	<b>23</b>	<b>14</b>	<b>18</b>



iv. Amount for the year/period ended December 31, 2024 and March 31, 2024 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Actuarial (gain)/losses on obligations for the period	6	65	20	(67)
Actuarial (gain)/losses on plan assets for the period	4	10	1	7
Net expense recognised	10	75	21	(60)

Assumptions	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Rate of discounting	6.99%	7.21%	6.99%	7.21%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.85%	14.06%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Expected cash flow in year 1	85	104	146	153
Expected cash flow in year 2	72	65	117	122
Expected cash flow in year 3	80	70	104	101
Expected cash flow in year 4	91	76	105	91
Expected cash flow in year 5	34	88	56	94
Expected cash flow in year 6	148	32	95	49
Expected cash flow in year 7	72	147	50	84
Expected cash flow in year 8	8	66	24	44
Expected cash flow in year 9	83	8	60	21





Expected cash flow in year 10	41	85	22	54
Expected cash flow in year 11+	480	485	124	123

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	566	684	0.00%	0.00%
Salary escalation - up by 1%	683	702	2.58%	2.65%
Salary escalation - down by 1%	646	664	-2.98%	-2.91%
Withdrawal rates - up by 1%	672	691	0.92%	0.96%
Withdrawal rates - down by 1%	659	677	-1.03%	-1.07%
Discount rates - up by 1%	626	645	-5.96%	-5.73%
Discount rates - down by 1%	711	729	6.80%	6.52%
Mortality rates - up by 10%	667	684	0.05%	0.05%
Mortality rates - down by 10%	666	684	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. in. Lakhs)		[% of change]	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	663	682	0.00%	0.00%
Salary escalation - up by 1%	691	712	4.20%	4.40%
Salary escalation - down by 1%	637	654	-3.90%	-4.10%
Withdrawal rates - up by 1%	663	682	0.00%	0.00%
Withdrawal rates - down by 1%	663	682	0.00%	0.00%
Discount rates - up by 1%	640	658	-3.50%	-3.50%
Discount rates - down by 1%	688	707	3.80%	3.70%
Mortality rates - up by 10%	663	682	0.00%	0.00%
Mortality rates - down by 10%	663	682	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.



#### **x. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk

#### **42. Earnings per share (EPS)**

Particulars	As at 31-12-2024	As at 31-03-2024
Profit after tax before exceptional items	52,090	106,119
Add. exceptional items	-	-
Profit after tax after exceptional items	52,090	106,119
Profit available for equity shareholders	52,090	106,119
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	82,601.80	168,276.58
Basic and diluted earnings per share (In Rupees) – after exceptional item	82,601.80	168,276.58

#### **43. Segment Information**

##### **I. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **II. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



iv. Secondary segment reporting

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

v. Information about major customers

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,19,528 Lakhs is derived from four customers (P.Y 2,36,138 Lakhs from four customers).

vi. Information about product and services

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

a. Segment reporting for the period from 01-04-2024 to 31-12-2024

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
Segment revenue				
External revenue *	2,20,561	-	-	2,20,561
<b>Total segment revenue</b>	<b>2,20,561</b>	<b>-</b>	<b>-</b>	<b>2,20,561</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	73,640	-	-	73,640
Unallocated other income	-	-	4,832	4,832
Unallocated expenses and finance cost	-	-	(8,506)	(8,506)
<b>Profit before exceptional items and tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,675)</b>	<b>69,965</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,675)</b>	<b>69,965</b>
Income tax - Current	-	-	(15,855)	(15,855)
Deferred tax	-	-	(2,019)	(2,019)
<b>Profit after tax</b>	<b>73,640</b>	<b>-</b>	<b>(21,550)</b>	<b>52,090</b>
<b>Other information</b>				
Segment assets **	2,82,955	15,266	2,43,263	5,41,484
Segment liabilities **	1,52,179	3,656	33,587	1,89,421
Capital work in progress	632	-	8	640
Depreciation and amortisation	15,372	-	270	15,642





Non-cash expense other than depreciation and amortisation		660	660
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\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

**Note:** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2023-24**

Particulars	For the year ended 2023-24			Total
	Mining projects	Sand operations	Unallocated	
Segment revenue				
External revenue *	3,56,515	-	27,545	3,84,059
Total segment revenue	3,56,515	-	27,545	3,84,059

\* Segment revenue includes other income which is directly attributable to each segment

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
Segment results				
Profit/(Loss)	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,772	12,772
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
Profit before exceptional items and tax	1,72,093	-	(28,537)	1,43,556
Exceptional items	-	-	-	-
Profit before tax	1,72,093	-	(28,537)	1,43,556
Income tax - current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
Profit after tax	1,72,093	-	(65,975)	1,06,118
Other Information				
Segment Assets **	2,87,044	15,273	2,12,637	5,14,954
Segment Liabilities **	1,56,962	3,696	54,295	2,14,952
Capital work in progress	530	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152
Non-cash expense other than depreciation and amortisation	-	-	3,851	3,851



**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyan coal company limited	51.00%	51.00%
Nuagaon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pailavared granite private limited	11.00%	11.00%
V V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (01-04-24 to 07-06-24)	Vice Chairman & Managing Director
Dr. N. Yuvaraj (07-06-24 to 24-06-2024)	
Sri Pravin Kumar, IAS (24-06-2024 onwards)	





**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited- APSFSL	
The Commissioner SS&LR Department	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMOC- SCCL Sulyari coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1



Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG. Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.



#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.39.07 lakhs against pending payables recognised in previous years.





**46. Deferred tax asset /(liability)**

Particulars	As at 31-12-2024	As at 31-03-2024
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,526	2,363
Provision for lease liability	0	0
Other provisions	3,438	3,441
<b>Total deferred tax asset</b>	<b>5,964</b>	<b>5,804</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,218	1,257
Investments	85	85
Mining Infrastructure Assets	12,642	8,607
Mining Infrastructure Assets - R&R - M'pet	6,702	8,519
<b>Total deferred tax liability</b>	<b>20,647</b>	<b>18,468</b>
<b>Deferred tax asset /(liability) - net</b>	<b>14,683</b>	<b>12,663</b>

**47. CSR Expenditure**

a. Gross amount required to be spent by the company during the year is Rs 1,331/- (Previous Year Rs 944)

b. Amount spent during the year

Particulars	Period ended 31-12-2024	Year ended 31-03-2024
Construction/ acquisition of any assets	-	-
Purpose other than above	1,083	3,545

c. Provision for unspent CSR : Nil

d. Total of previous year shortfall : Nil

e. Reason for shortfall : Not applicable

f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.

g. Details of related party transaction: Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 1,083 lakhs (PY Rs. 3,545 lakhs)

h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year/period should be shown separately: Nil



#### 48. Treatment of demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-





<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

<b>Assets</b>	<b>Common Pool</b>	<b>AP</b>	<b>TS</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	165	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,502	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### **Interim division of funds in current accounts, fixed deposits, sweep accounts**

During the financial year 2023-24 a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDCCL on 29<sup>th</sup> January, 2024 and as per terms of the MOU, both APMDCL and TSMDCCL have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio.

Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs 1,393.43 crores and same has been distributed in the population ratio i.e. APMDCL @58.32% and TSMDCCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCCL respectively, vide Memo No.4354/M.I(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines.I) Department, Government of Telangana.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.



The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>



APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC.

It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.





Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

### **53. Non valuation of inventory**

#### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (68.30 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s.Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.12.2024 is 1.55 lakh MT's (including 61 MTs of Grade – 1) which the company has not valued.



#### c. Inventory of survey stones

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-12-2024.

#### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Brahmadiha	105.153
Total		1,948.063

#### 55. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-12-2024 for which deposit certificates have been obtained from the APSFSCCL. APMDCL has received interest regularly till 31-12-2024 and during the period APMDCL has not withdrawn any amounts deposited with the APSFSCCL and confirmation of balance has been obtained.

#### 56. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS&LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.





Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.

#### **57.Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020.

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No 103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.

#### **58. Note on sale of barytes**

Pursuant to Letter No. 2481753/A2/M.III/2024 dated 16th August 2024, the corporation has recognized revenue from the sale of barytes at the prevailing rates, which are based on the price fixed in December 2023 as per government orders. The previous rate fixed in December 2023 remained in effect until June 2024. Additionally, a 10% premium over the existing price has been collected as a security deposit, which will be adjusted upon the finalization of new prices through the sales tender. Necessary adjustments to sales will be made accordingly. Therefore, the recognized revenues are subject to change to that extent.



**59. Leases (Ind AS 116)**

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the period ended December 31, 2024:

(i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the period ended December 31, 2024.

(ii) Movement in Lease liability with Current/Non-Current break-up:

Particulars	As at 31-12-2024	As at 31-03-2024
Balance at the beginning of the year	134	113
Additions during the year/period	-	167
Deletions during the year/period	3	-
Finance cost accrued during the period	6	8
Payment of lease liabilities	114	155
Balance at the closing of the year/period	23	134

Amounts recognised in profit or loss

Particulars	As at 31-12-2024	As at 31-03-2024
Interest expenses	6	8
Depreciation charge for right-of-use assets	107	140

Contractual maturity analysis of undiscounted lease liabilities is given below:

Maturity Analysis of lease liabilities (undiscounted):

Particulars	As at 31-12-2024	As at 31-03-2024
Less than one year	23	134

**60. Note on provision for decommissioning and deposit under mine closure plan**

A. Details of provision for Decommissioning

Name of the project	As at 31-03-2024	Provision made during the period	Provision reversed during the period	As at 31-12-2024
Mangampet-Barytes	672	47	-	719
Balclay	31	2	-	33
Mangampet - Dolomite	583	40	-	623
Suliyari - Coal	8,102	559	-	8,661
Total	9,388	648	-	10,036



**B. Details of deposit with banks under mine closure plan**

Particulars	As at 31-12-2024	As at 31-03-2024
Opening balance	2,347	1,082
Add: Deposits Made during the year/period	198	1,200
Add: Interest Credited during the year/period (Net of TDS)	88	65
Less: Amount withdrawn during the year/period	-	-
<b>Closing Balance</b>	<b>2,633</b>	<b>2,347</b>

61. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

**62. Analytical Ratios**

The following are analytical ratios for the period ended 31<sup>st</sup> December, 2024.

Sl.no	Particulars	Numerators	Denominators	31-12-24	31-03-24
1	Current Ratio	Current Assets	Current Liabilities	2.49	1.93
2	Debt -Equity Ratio	Total Debt	Shareholders' funds	0.17	0.24
3	Debt service coverage ratio	Earnings available for debt service	Debt services	7.34	10.36
4	Return on equity	Profit after tax	Average shareholders fund	14.8%	35.37%
5	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	9.29	19.7
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	2.87	6.85
7	Trade payable turnover ratio	Net credit purchases	Average trade Payables	6.39	7.09
8	Net Capital Turnover Ratio	Net Sales	Working capital	1.34	3.17
9	Net profit ratio	Net profit	Net sales	23.62%	27.63%
10	Return on capital employed	Earnings before Interest and taxes	Capital employed	18.36%	40.71%
11	Return on investment	Income from investments	Time weighted average investments	44%	33%





12	Dividend payout Ratio	Total Dividend	Net income	-	122.52%
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\*The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12-months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods.

### 63. Additional information

#### a. Particulars of consumption of stores & spares

Particulars	Figures as at the end of December 31, 2024		Figures as at the end of March 31, 2024	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	106	100.00	165	100.00
<b>Total</b>	<b>106</b>	<b>100.00</b>	<b>165</b>	<b>100.00</b>

#### b. Value of imports calculated on CIF basis and expenditure in foreign currency

Particulars	(Rs.in. Lakhs)	
	31-12-2024	31-03-2024
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 64. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023, 20<sup>th</sup> January, 2025 and 05<sup>th</sup> February 2025 respectively, due to non completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2024, the board of directors of the company in their meeting held on 21<sup>st</sup> February, 2025 approved the financial statements for the period ending 31<sup>st</sup> December, 2024.



In view of this, the reported amounts as on 31<sup>st</sup> December, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024. Necessary adjustments if any will be made in subsequent years.

#### **65. Payment of dividend**

During the previous year 2023-24, the company paid an interim dividend of Rs.400.00 crores related to financial year 2022-23 and Rs.900.00 crores related financial year 2023-24.

#### **66. Additional Regulatory Disclosures.**

- a. There no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The company has not been declared a willful defaulter by any bank or financial institutions.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.





- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts.
- h. The company uses an accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the accounting software.
- i. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the period/year.

#### **67. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.

#### **68. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current period.
- d. The financial Statements for the period of 9 months have been prepared for the purpose of compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in connection with the proposed private placement of securities, approved by the Board in 422th Board Meeting dt. 18-Jan-2024
- e. The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12-months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods. The current period includes adjustments for any events or transactions that occurred during the 9 months, and previous year's results reflects the full annual performance.




- f. All amounts have been reported in Rs. in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs 0.50 lakhs

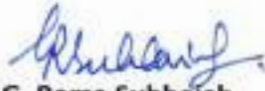
**For M N RAO & ASSOCIATES**  
Chartered Accountants  
Firm Regn No.0053865


  
D.S.S. Srikanth  
Partner  
Mem No.250883



**for and on behalf of the board of directors**

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaiah  
Director  
DIN: 10015409

  
V.V.V. Phani Kumar  
General Manager-F&A



Place: Vijayawada  
Date: February 21, 2025

UDIN: 25250883 BMF PE08862

**The Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated balance sheet as at December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No	As at December 31, 2024	As at March 31, 2024
<b>ASSETS</b>			
1) Non-current assets			
(a) Property, plant and equipment	3	5,292	7,210
(b) Right-of-use assets	3.1	24	133
(c) Capital work in progress	3.2	640	556
(d) Intangible assets	3.3	1,88,757	1,95,406
(e) Intangible assets under development	3.4	8,598	8,906
(f) Financial assets			
(i) Investments	4	1,535	1,413
(ii) Loans	5	453	383
(iii) Other financial assets	6	11,059	6,665
(g) Other non-current assets	8	50,016	45,676
<b>Total non-current assets</b>		<b>2,66,939</b>	<b>2,64,348</b>
2) Current assets			
(a) Inventories	9	27,001	20,731
(b) Financial assets			
(i) Trade receivables	10	79,037	74,564
(ii) Cash and cash equivalents	11	41,530	28,899
(iii) Other bank balances	11	56,585	66,733
(iv) Loans	12	30,100	30,376
(v) Other financial assets	13	715	1,038
(c) Other current assets	14	40,583	29,480
<b>Total current assets</b>		<b>2,75,551</b>	<b>2,51,521</b>
<b>TOTAL ASSETS</b>		<b>5,42,489</b>	<b>5,15,869</b>
<b>EQUITY AND LIABILITIES</b>			
1) Equity			
(a) Equity share capital	15	631	631
(b) Other equity	16	3,52,437	3,01,268
<b>Total equity</b>		<b>3,53,068</b>	<b>3,00,917</b>
Liabilities			
2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	47,845	55,974
(ii) Lease liability			
(iii) Other financial liabilities	18	6,090	6,121
(b) Provisions	19	10,093	9,453
(c) Deferred tax liability (net)	7	14,683	12,663
(d) Other non-current liabilities	20	254	254
<b>Total non-current liabilities</b>		<b>78,965</b>	<b>84,475</b>
3) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	21	10,890	15,498
(ii) Lease Liability	22	23	134
(iii) Trade payables	23	8,528	19,437
(iv) Other financial liabilities	24	21,475	24,012
(b) Other current liabilities	25	55,176	57,943
(c) Current tax liabilities	26	14,453	14,453
<b>Total current liabilities</b>		<b>1,10,475</b>	<b>1,20,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,42,489</b>	<b>5,15,869</b>
<b>Notes to financial statements</b>	1-70		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report

For **M N RAO & ASSOCIATES**

Chartered Accountants

Firm Regn No. 0053865

  
D.S.S. Srikanth

Partner

Mem No.250883



UDIN: 25250883-BMKPFU6808

Date: 15-Apr-2025

For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07186418

  
G. Rama Subbaiah  
Director  
CIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada  
Date : February 21, 2025



**The Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated statement of profit and loss for the nine months period ended December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the period ended December 31, 2024	For the year ended March 31, 2024
I Revenue from operations	27	2,20,562	3,84,059
II Other income	28	13,524	12,725
III Total Income (I+II)		2,34,086	3,96,784
IV Expenses			
Change in inventories of finished goods	29	(6,255)	(2,207)
Employee benefits expense	30	3,540	5,254
Finance costs	31	5,457	7,678
Depreciation and amortization expense	32	15,642	21,151
Power and fuel	33	610	870
Excavation and transport charges	34	89,338	1,09,889
Other expenses	35	56,008	1,10,757
Total expenses (IV)		1,64,340	2,53,393
V Profit before tax (III-IV)		69,745	1,43,391
VI Share of Profit/(Losses) of joint ventures and associates		313	378
VII Tax expense/(benefit)			
Current tax	36	15,855	24,563
Deferred tax	36	2,019	12,874
Total tax expense/ (benefit) (VII)		17,875	37,438
VIII Profit for the year (V+VI-VII)		52,183	1,06,331
IX Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re-measurement of post-employment benefit obligations)		(31)	(15)
(ii) Items that will not be reclassified to profit or loss of JV		(2)	3
(iii) Income tax on above items			
Total other comprehensive income for the year (IX)		(32)	(12)
X Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the reporting period) (VIII+IX)		52,151	1,06,319
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	82,749.37	1,68,613.73
- Diluted (Rs.)		82,749.37	1,68,613.73
Notes to financial statements	1-70		

The accompanying notes are an integral part of these consolidated financial statements

As per our report

For MNRAD & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

D.S.S. Srikanth

Partner

Mem No.250883

UDIN:- 25250883 BMKPFU6808

DATE :- 15- Apr - 2025



For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
DIN: 07106418

G. Rama Subbalah  
Director  
DIN: 10915409

V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 21, 2025



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Cash Flow Statement for the nine months period ended December 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	70,058	1,43,769
<b>Adjustments for:</b>		
Interest expense	4,797	5,874
Unwinding of discounting on provisions	640	804
Interest income	(4,575)	(11,608)
Depreciation and amortization expense	15,642	21,157
Provision for bad & doubtful advances	-	2,571
Bad & doubtful debts	-	476
Liabilities no longer required written back	(6)	(71)
<b>Operating profit before working capital changes</b>	<b>86,576</b>	<b>1,63,967</b>
<b>Adjustments for:</b>		
Increase/(decrease) in trade payables	(10,909)	969
Increase/(decrease) in provisions	(44)	(3,878)
Increase/(decrease) in other financial liabilities	(1,574)	(43,052)
Increase/(decrease) in other liabilities	(2,767)	13,017
Decrease/(increase) in trade receivables	(4,472)	(37,564)
Decrease/(increase) in inventories	(6,270)	(2,249)
Decrease/(increase) in other assets	(17,538)	6,369
Decrease/(increase) in other financial assets	(4,071)	96,739
<b>Cash generated from operations</b>	<b>38,930</b>	<b>1,92,318</b>
Direct taxes paid (net of refunds)	15,855	25,617
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>23,074</b>	<b>1,66,701</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWP and capital advances	(7,336)	(60,871)
Movements in other bank balances	10,149	(3,028)
Loans to staff	(93)	16
Interest received	4,575	11,608
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>7,295</b>	<b>(52,262)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	(12,827)	11,637
Interest paid	(4,797)	(6,874)
Payment of lease liability	(114)	(155)
Dividends paid including interim dividend	-	(1,30,000)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(17,738)</b>	<b>(1,25,392)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>12,631</b>	<b>(10,973)</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>28,899</b>	<b>39,871</b>
<b>Cash and cash equivalents at the end of the year/period</b>	<b>41,530</b>	<b>28,899</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	1
<b>Balances with scheduled banks</b>		
With current accounts	41,529	28,898
<b>Total cash and cash equivalents (Note 11)</b>	<b>41,530</b>	<b>28,899</b>

The accompanying notes are an integral part of these consolidated financial statements

- a. Figures in brackets indicates outflow  
b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report

For M N Rao & Associates

Chartered Accountants  
Firm Regn No: 0053865

D.S.S. Srikanth

Partner

Mem No.250883

UDIN: 25250883 BMKP FU6808

Date: 15-Apr-2025



For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
DIN: 67106418

G. Rama Subbalaah  
Director  
DIN: 10915409

V.V.V. Phani Kumar  
General Manager - F&A

Place: Vijayawada  
Date: February 21, 2025





**The Andhra Pradesh Mineral Development Corporation Limited**

Statement of changes in equity for the nine months period ended December 31, 2024

**A. Equity share capital**

Particulars	No of Shares	Amount (Rs. in Lakhs)
Balance as at April 1, 2023	63,062	651
Changes in equity share capital during 2023-24		
Balance as at April 1, 2024	63,062	631
Changes in equity share capital during 01-04-2024 to 31-12-2024		
Balance as at December 31, 2024	63,062	631

**B. Other equity**

Particulars	Reserves and surplus		Other comprehensive income				Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actual gains/losses reserve	Deferred tax on OCI items
Balance as at April 01, 2023	370	2,147	17,216	3,04,529	(57)	(339)	(30)
Profit for the year				1,05,331			
Free ride equity shares in joint ventures	130						
Other comprehensive income for the year						(12)	
Total comprehensive income for the year	130			1,06,331		(12)	
Transfer to reserve for bad and doubtful debts		2,741		(2,741)			
Interim Dividend (FY 2023-24)				(90,000)			
Interim Dividend (FY 2022-23)				(40,000)			
Balance as at March 31, 2024	500	4,889	17,216	2,78,119	(57)	(352)	(30)
Profit for the period				52,183			
Other comprehensive income for the period							
Total comprehensive income for the period				52,183			
Transfer to reserve for bad and doubtful debts		(300)					
Balance as at December 31, 2024	500	4,529	17,216	3,30,662	(57)	(364)	(30)

(Rs. in Lakhs)

As per our report

For M N Rao & Associates

Chartered Accountants

Firm Regn No: 0053805

UDIN:- 25250883BMMKPFU6808

Date :- 15-APR-2025

D.S. Srikanth

Partner

Mem No. 250883

UDIN:- 25250883BMMKPFU6808

Date :- 15-APR-2025

For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
(UN-07106418)

G. Rama Subbalaksh

Director

UDIN: 10915409

V.V.V. Bhani Kumar  
General Manager F&A

Place: Vijayawada

Date: February 21, 2025

## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

The Consolidated financial statements for the period from April 1, 2024, to December 31, 2024, comprise the Consolidated Balance Sheet as at December 31, 2024; the Consolidated Statement of Profit and Loss (including Other Comprehensive Income); the Consolidated Statement of Cash Flows; the Statement of Changes in Equity for the period then ended; and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements"). These consolidated financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), as specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other recognized accounting principles and policies generally accepted in India. However, they do not include certain presentation and disclosure requirements prescribed under Ind AS 34, such as certain explanatory information and comparative financial information. Accordingly, the consolidated financial statements have been prepared using a framework by the management of the Company for use by the Board of Directors and Investment bankers for the purpose of private placement of securities.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements"



- ii. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- iii. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- iv. A joint arrangement is an arrangement of which two or more parties have joint control, joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.  
  
Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- v. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- vi. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed.



Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

#### **Judgements**

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

#### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.





**e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.





#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life



is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.



Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per 'Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 54)

**m. Employee benefits**

**Short term employee benefit obligations**

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



#### **Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees.
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.



#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on Income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.





Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.



#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CDDM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the



lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the



group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **k. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.





The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.





**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**

**Property, Plant and Equipment, Capital work in progress, intangible assets, intangible assets under development, Right of use asset for the nine months period ended December 31, 2024**

(Rs. In Lakhs)

Note 3

Property, Plant And Equipment For The Period Ended 31.12.2024											
Particulars	Gross Block			Depreciation Block					Net Block		
	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation For the Year	Impairment Loss *	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Land	5,668	-	1,079	4,589	-	-	-	-	4,589	-	5,668
Quarters & Pucca Constructions	448	37	-	485	288	23	-	-	307	178	164
Mining Equipment	713	-	-	722	411	19	-	-	632	50	109
Furniture & fixtures	329	0	-	329	181	38	-	-	219	110	197
Office Equipment	276	1	-	278	240	11	-	-	251	27	31
Costa Processing Equipment	373	14	-	387	308	36	-	-	341	44	62
Vehicles	82	-	-	322	233	30	-	-	261	64	94
Tenets & rights	153	10	-	163	114	25	-	-	142	21	40
Plant & Machinery	3,679	56	-	3,736	2,806	172	-	-	2,978	758	574
Investment building	255	-	-	255	202	-	-	-	242	13	13
Total	12,229	116	1,079	13,269	5,019	358	-	-	5,377	5,892	7,210
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
Total	12,229	116	1,079	13,269	5,019	358	-	-	5,377	5,892	7,210
Previous year - 2023-24	11,637	593	-	12,229	5,466	639	914	-	5,019	7,210	8,771

\* As per directions of the Government of AP, corporation has initiated selling up all four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SSBIR department. Government of AP and Andhra Pradesh has initiated operations in the year 2023-2024 and stopped production in the month of August, 2023. In view of uncertainty in conducting future operations, management has decided to impair the plant and machinery in the year 2023-24. Accordingly, an amount of Rs 914.00 lakhs has been recognised as an impairment costs in financial year 2023-24.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation For the Year	Disposal / Adjustments / Transfer	Accumulated Depreciation as December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Right of use asset	169	-	26	192	37	107	24	119	22	133
Total	169	-	26	192	37	107	24	119	22	133
Previous year - 2023-24	274	164	274	169	171	140	274	37	133	102



Note 3.2 Capital work in progress		
Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	1,261	914
Add: Additions during the reporting period	1,035	539
Less: Transferred to Property, Plant & Equipment	951	193
Closing Gross Carrying Value	1,345	1,261
Accumulated Impairment Allowance		
Balance at the beginning of the year/period	705	-
Add: Additions during the year/period	-	705
Closing Accumulated Impairment Allowance	705	705
Closing net carrying value	640	556

Capital work in progress ageing schedule as at 31.12.2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	335	211	294	-	640
Projects temporarily suspended	-	130	366	709	705

Capital work in progress ageing schedule as at 31.03.2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	736	340	-	-	556
Projects temporarily suspended	130	366	709	-	705

As per directions of the Government of AP, corporation has initiated writing up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Anantapuram and Srikakulam for supply of survey stones to the SS&LR department, Government of AP and engaged contractors on turnkey basis. Out of the four units, Balakurava unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining Three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs.705.00 lakhs has been recognised as an impairment costs in the year 2023-24.

### 3.3 Intangible Assets

Particulars	As at December 31, 2024	As at March 31, 2024
Computer software	217	305
Decommissioning assets	6,287	6,570
Mining Infrastructure assets	1,55,619	1,54,642
Mining Infrastructure assets - O&M -Aipei	26,628	33,849
Total	1,88,752	1,95,406

#### A.Computer Software

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	423	34
Add: Additions during the year/period	8	789
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	430	423
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	77	32
Add: Additions during the year/period	136	45
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	213	77
Net carrying value	217	346

#### B.Decommissioning Assets

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	7,177	8,745
Add: Additions during the year/period	-	0
Less: Disposals/ adjustments/transfer	-	1,168
Closing Gross Carrying Value	7,177	7,177
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	637	268
Add: Additions during the year/period	283	349
Less: Deletions / Adjustments	-	6
Closing Accumulated Impairment Allowance	890	607
Net carrying value	6,287	6,570



C. Mining Infrastructure Assets					
Particulars	As at December 31, 2024	As at March 31, 2024			
Gross carrying amount at beginning	1,65,112	1,51,678			
Add: Additions during the year/period	7,554	13,030			
Less: Disposals/ adjustments/transfer	-	-			
Closing Gross Carrying Value	1,72,666	1,65,112			
Accumulated Amortisation & Impairment					
Balance at the beginning of the year/period	10,470	2,770			
Add: Additions during the year/period	6,577	7,696			
Less: Deletions / Adjustments	-	-			
Closing Accumulated Impairment Allowance	17,047	10,470			
Net carrying value	1,55,619	1,54,642			
Corporation has incurred an amount of Rs.1,65,112 lakhs till the end of previous financial year on its Sulavari coal mine project and same has been capitalised under mining infrastructure assets. Additionally, during the current reporting period an amount of Rs.7,554 lakhs has been capitalised and amortised based on the unit of production method.					
D. Mining Infrastructure - R&R - Asset					
Particulars	As at December 31, 2024	As at March 31, 2024			
Gross carrying amount at beginning	44,513	-			
Add: Additions during the year/period	962	44,513			
Less: Disposals/ adjustments/transfer	-	-			
Closing Gross Carrying Value	45,475	44,513			
Accumulated Amortisation & Impairment					
Balance at the beginning of the year/period	10,654	-			
Add: Additions during the year/period	8,182	10,664			
Less: Deletions / Adjustments	-	-			
Closing Accumulated Impairment Allowance	18,847	10,664			
Net carrying value	26,628	33,849			
Corporation has incurred an amount of Rs.44,513 lakhs till the end of previous financial year towards R&R costs in connection with the Mangalore barytes project. During the current reporting period, an amount of Rs.962 lakhs has been capitalised and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.					
3.4 Exploration intangible assets under development					
Particulars	As at December 31, 2024	As at March 31, 2024			
Gross carrying amount at beginning	8,906	6,316			
Add: Additions during the year/period	35	2,590			
Less: Adjustments/transfer	342	-			
Closing Gross Carrying Value	8,598	8,906			
Accumulated Amortisation & Impairment					
Balance at the beginning of the year/period	-	-			
Add: Additions during the year/period	-	-			
Less: Deletions / Adjustments	-	-			
Closing Accumulated Impairment Allowance	-	-			
Net carrying value	8,598	8,906			
Exploration intangible assets under development Aging schedule as at 31.12.2024					
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35	2,590	1,942	4,031	8,598
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,598
Exploration intangible assets under development Aging schedule as at 31.03.2024					
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,285	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,906
The corporation has incurred and capitalized an amount of Rs. 8,598 lakhs towards the development of Brahmedity Coal Mine till the end of the current reporting period. The mining plan for the project has been approved, and the management have confident about commencing its commercial operations in the next one to two years.					





The Andhra Pradesh Mineral Development Corporation Limited  
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4	Non-current Investments	As at December 31, 2024	As at March 31, 2024
	<b>Unquoted equity instruments - Investments measured at cost</b>		
	<b>Investment in subsidiary companies</b>		
	i. M/s.APMDC - SECL sullivan coal company limited 5,100 equity shares (March 31, 2024: 5,100) of Rs.10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s Nuagson coal company limited 5,000 equity shares (March 31, 2024: 5,000) of Rs.10/- each fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s Andhra phosphate (P) Ltd 1,110 equity shares (March 31, 2024: 1,100) of Rs.1,000/- each fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	iv. M/s Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2024: 56,100) of Rs.10/- each fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	<b>Investment in Associates</b>		
	v. M/s. Aswani mineral development private limited 65,000 equity shares (March 31, 2024: 65,000) of Rs.10/- each fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi. M/s.SPAP mineral private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs.10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii. M/s. Atham mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii. M/s. Isra mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s. Mangasree granites private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	xi. M/s. Ongole mineral exports private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs.10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s. R.P. Granite private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs.10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xiii. M/s A.P. coastal sands & metals private limited 13,000 equity shares (March 31, 2024: 13,000) of Rs.10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiv. M/s Andhra Pradesh tribal mining private limited 28,600 equity shares (March 31, 2024: 28,600) of Rs.10/- each fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)





xv. Samvuktha Granite Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs 10/- each fully paid up	6	6
xvi. Neendhi Granites India Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	127	127
xvi. Shambhav stones AP Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	128	128
<b>Investment in Joint Ventures</b>		
xvii. M/s.A.P.granites (midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	1,244	1,152
xviii. M/s.Alliance A.P.black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xix. M/s.Palazared granite private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xx. M/s.Gimpar AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xxi. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xxii. M/s.Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xxiii. M/s.Times baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xxiv. M/s.M.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	<b>1,505</b>	<b>1,413</b>
Aggregate amount of quoted investments - Market value		-
Aggregate amount of quoted investments - Book value		-
Aggregate amount of unquoted investments	1,505	1,413
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71



5	Loans (Non-current)	As at	As at
		December 31, 2024	March 31, 2024
	Loans and advances to employees		
	Unsecured, considered good	453	383
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>453</b>	<b>383</b>
6	Other financial assets (Non-current)	As at	As at
		December 31, 2024	March 31, 2024
	Security Deposits		
	Unsecured, considered good	285	257
	Unsecured, considered doubtful	93	93
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>285</b>	<b>257</b>
	Balance in current accounts (Fixed)	209	204
	Deposits in the form of Bank guarantees	7,532	3,856
	Deposit in Bank under Mine Closure plan *	2,633	2,347
	Unsecured, considered doubtful		
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>11,059</b>	<b>6,665</b>
* Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened and deposits are made as required (Refer note no 60)			
7	Deferred tax liability (Net)	As at	As at
		December 31, 2024	March 31, 2024
	Deferred tax asset		
	Provision for decommissioning costs	2,526	2,363
	Provision for lease liability / assets	0	0
	Provision for bad & doubtful debts, investments & advances	1,438	3,443
	<b>Total deferred tax asset</b>	<b>5,964</b>	<b>5,806</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,238	1,257
	Investment	85	85
	Mining Infrastructure asset	12,642	8,607
	Mining Infrastructure Assets - R&D-Mine	6,702	8,519
	<b>Total deferred tax liability</b>	<b>20,667</b>	<b>18,468</b>
	<b>Net deferred tax (asset)/liability</b>	<b>14,683</b>	<b>12,663</b>
8	Other non current assets	As at	As at
		December 31, 2024	March 31, 2024
	A) Capital advances		
	Unsecured, considered good	3,673	2,686
	Unsecured, considered Doubtful	2,654	2,604
	Less: Provision for doubtful advances	(2,654)	(2,654)
	<b>Total</b>	<b>3,673</b>	<b>2,636</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,874	14,075
	Unsecured, considered Doubtful	5,210	5,212
	Less: Provision for doubtful advances	(5,210)	(5,212)
	<b>Total</b>	<b>14,874</b>	<b>14,075</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	31,472	26,257
	Unsecured, considered Doubtful	1,882	1,882
	Less: Provision for doubtful advances	(1,882)	(1,882)
	<b>Total</b>	<b>31,472</b>	<b>26,257</b>
	D) Prepaid expenses		649
	<b>Total (A+B+C+D)</b>	<b>50,019</b>	<b>43,477</b>



9	Inventories	As at December 31, 2024	As at March 31, 2024
	Finished goods (Refer note, 5A)		
	- Batches	23,231	17,618
	- Cost	3,678	7,985
	Less: Provision for obsolete stock		(8)
	Stores and spares	143	155
	Total	27,052	25,750
	Method of valuation: Refer Note no. 21-22 regarding accounting policies		
10	Trade receivables (Current)	As at December 31, 2024	As at March 31, 2024
	Unsecured, considered good	79,037	73,843
	Unsecured, considered credit impaired	3,417	3,417
	Less: Impairment allowance for doubtful debts	(3,417)	(3,417)
	Unbilled Receivables		721
	Total	79,037	74,564
	Refer note no. 62		
11	Cash and cash equivalents	As at December 31, 2024	As at March 31, 2024
	Cash and cash equivalents		
	Deposits with banks		
	In Current accounts and sweep accounts	41,529	28,888
	Cash on hand	1	1
	(A)	41,530	28,889
	Other bank balances		
	Deposits in banks with maturity >3 months and <12 months	1,085	11,713
	Deposits with APSPFCL	51,100	55,500
	(B)	52,185	67,213
	Total	93,715	96,102
12	Loans (current)	As at December 31, 2024	As at March 31, 2024
	Vehicle loans to staff		
	Secured, considered good	22	16
	Unsecured, considered good		
	Loan to AP state fiber net Limited & Machilipatnam Urban Development Authority- Refer Note 50 & 51	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	78	64
	Total	30,100	30,076
13	Other financial assets (Current)	As at December 31, 2024	As at March 31, 2024
	Interest accrued on deposits		
	Unsecured, considered good	959	1,283
	Less: Provision for the doubtful portion	(204)	(244)
	Total	755	1,039
14	Other current assets	As at December 31, 2024	As at March 31, 2024
	A) Advances recoverable		
	Unsecured, considered good	811	705
		831	745
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	38,081	27,555
	Prepaid expenses	1,503	990
	Others	168	190
	Total	39,752	28,985
	Total	40,565	29,480



15	Equity share capital	As at December 31, 2024	As at March 31, 2024
	Authorised share capital: 1,00,000 equity shares of Rs.1,000/- each (December 31, 2024 - 1,00,000 equity shares of Rs.1,000/- each)	1,000 1,000	1,000 1,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs.1,000/- each fully paid up (December 31, 2024 - 63,062 equity shares of Rs.1,000/- each)	631 631	611 631
<b>15.1 Additional notes:</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at December 31, 2024	As at March 31, 2024
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year/period		
	Shares outstanding at the end of the year/period	63,062	63,062
<b>15.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs.1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>15.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh- represented by assistant secretary to Government (Miner) Industries & Commerce department	63,059 (99.995%)	63,059 (99.995%)
<b>15.4 Details of Shareholding of Promoters</b>			
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh- represented by assistant secretary to Government (Miner) Industries & Commerce department	63,059 (99.995%)	63,059 (99.995%)
16	Other equity	As at December 31, 2024	As at March 31, 2024
	Capital reserves		
	Free-ride equity shares for consideration other than cash allotted by		
	i. M/s. Awan mineral development private limited 65,000 equity shares(March 31, 2024: 65,000) of Rs.10/- each fully paid up	7 (7)	7 (7)
	Less: Provision made for diminution in the value of shares		
	ii. M/s. SRAP mineral private limited 3,25,000 equity shares(March 31, 2024: 1,25,000) of Rs.10/- each fully paid up	33 (33)	33 (33)
	Less: Provision made for diminution in the value of shares		
	iii. Arham mineral exports private limited 1,30,000 equity shares(March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	iv. Isra mineral exports private limited 1,30,000 equity shares(March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	v. Maigasree granites private limited 1,50,000 equity shares(March 31, 2024: 1,50,000) of Rs.10/- each fully paid up	15 (15)	15 (15)
	Less: Provision made for diminution in the value of shares		



vi. Ongole minerals exports private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	33 (13)	11 (13)
vii. RLP granite private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	33 (33)	33 (13)
viii. M/s A.P granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s.Alliance A.P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
x. M/s. Pallavaram granites private limited 1,10,000 equity shares(March 31, 2024: 1,10,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xi. M/s. A.P coastal sands & metals private limited. 13,000 equity shares(March 31, 2024: 13,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2024: 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	6 (6)	6 (6)
xiii. M/s. Ganges AP barytes beneficiation private limited 1,120 equity shares(March 31, 2024: 1,120) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xvi. M/s.Trimesh baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xvii. M/s. V.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xviii. Sanyuktha Granite Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130





Mr. Namchu Granges India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
Mr. Shamohari stones AP Private limited. 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
	500	500
Other comprehensive income		
Opening balance	(438)	1426
Other comprehensive income for the year/period	134	121
Add/Less: Transferred from/to retained earnings	-	-
Closing balance	(470)	(438)
Reserve for bad and doubtful debts		
Opening balance	4,889	2,147
Add/Less: Transferred from/to profit and loss account	1360	2,741
Closing balance	4,529	4,888
General reserve		
Opening balance	17,216	17,216
Closing balance	17,216	17,216
Retained earnings		
Opening balance	2,78,119	3,04,529
Add/Less: Profit for the year/period	52,183	1,06,331
	3,30,302	4,10,860
Less: Appropriations		
Reserve for bad and doubtful debts	(360)	2,741
Interim Dividends	-	1,10,000
Total appropriations	(360)	1,12,741
Closing balance	3,30,662	2,78,119
Total	3,52,437	3,00,216

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

17	Borrowings	As at	As at
		December 31, 2024	March 31, 2024
	Rupam Team Loan From Banks - Secured		
	From State Bank of India	47,845	55,974
	Total	47,845	55,974

Term Loan of Rs 918 Crores availed from State Bank of India, Industrial Finance Bank, Guntur with ROI of (MCLR+0.25%) 6 months MCLR for Development of Sulvari Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly installment of Rs 9 crores in 9 years 10 months. The company has been regular in repayment of principal and interest on due dates.



18	Other financial liabilities (Non-current)	As at December 31, 2024	As at March 31, 2024
	Expenses payable against infrastructure development	1,483	1,483
	Deposits	173	173
	Others	4,035	4,475
	<b>Total</b>	<b>6,091</b>	<b>6,131</b>
19	Provisions (Non-current)	As at December 31, 2024	As at March 31, 2024
	Provision for employee benefits		
	Provision for gratuity	55	55
	Provision for others:		
	Provision for deferred commissioning cost *	10,035	9,388
	<b>Total</b>	<b>10,090</b>	<b>9,443</b>
* Refer note no.61			
20	Other non-current liabilities	As at December 31, 2024	As at March 31, 2024
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
21	Borrowings (Current)	As at December 31, 2024	As at March 31, 2024
	Rupee Term Loan from Banks - Secured		
	From State Bank of India		
	Current maturities term loan	10,800	10,800
	Cash Credit		4,688
	<b>Total</b>	<b>10,800</b>	<b>15,488</b>
Term loan of Rs 918 Crores availed from State Bank of India, Industrial Finance Bank, Current with ROI of (MCLR+0.25%) 6 months MCLR for development of Bulhar Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly instalment of Rs 9 crores in 5 years 10 months. The company has been regular in repayment of principal and interest on due dates.			
Cash Credit limits of Rs 100 crores with ROI of (MCLR+1.0%) 6 months MCLR availed in 2019-2023 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (Bank Interest & Future) of the company. As at the end of current reporting period, company has no outstanding balance under this cash credit facility.			
22	Particulars	As at December 31, 2024	As at March 31, 2024
	Lease Liability (Refer note no.60)	23	134
	<b>Total</b>	<b>23</b>	<b>134</b>
23	Trade payables (Current)	As at December 31, 2024	As at March 31, 2024
	Trade payables (Refer Note.62)		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	8,528	19,437
	<b>Total</b>	<b>8,528</b>	<b>19,437</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.			
	Particulars	As at December 31, 2024	As at March 31, 2024
	a) Principal amount and interest due thereon		
	b) Interest paid in terms of section 16 of MSMED Act		
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
	d) Interest accrued and remaining unpaid at the end of the year		
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		
Dues to the micro and small enterprises have been determined to the extent such parties have been identified or the basis of information collected by the management.			



24	Other financial liabilities (Current)	As at December 31, 2024	As at March 31, 2024
	Salaries & other benefits payable	73	142
	Earnest money and security deposits from customers	2,092	4,648
	Other financial liabilities	19,310	18,222
	<b>Total</b>	<b>21,475</b>	<b>23,012</b>
25	Other current liabilities	As at December 31, 2024	As at March 31, 2024
	Advance from customers	37,931	64,076
	Statutory liabilities	17,145	13,853
	Other liabilities		
	<b>Total</b>	<b>55,176</b>	<b>77,929</b>
26	Current tax liabilities	As at December 31, 2024	As at March 31, 2024
	Provision for income tax	14,453	14,453
	<b>Total</b>	<b>14,453</b>	<b>14,453</b>



The Andhra Pradesh Mineral Development Corporation Limited

Notes to consolidated financial statements for the nine months period ended December 31, 2024

All amounts are in Rs Lakhs, unless otherwise stated

27	Revenue from operations	For the period ended December 31, 2024	For the year ended March 31, 2024
	Sale of products		
	Barytes	59,075	1,43,304
	Coal	1,58,870	2,09,244
	Survey stones	-	27,545
	Sale of services		
	Logis deration	2,677	3,966
	<b>Total</b>	<b>2,20,562</b>	<b>3,84,059</b>
28	Other Income	For the period ended December 31, 2024	For the year ended March 31, 2024
	Interest income		
	Bank deposits	4,167	11,256
	Loans	4	2
	Others	6	137
	Other non operating income		
	Rent receipts	5	8
	Forfeiture of security deposit	557	875
	Other receipts	398	214
	Sale of tender documents	3	33
	Interest on delay in payment of minimum consideration	-	0
	Liabilities no longer required written back	6	21
	Penalties on ROM	3,703	-
	Penalties on buyers	4,652	-
	Penalties on others	-	7
	Other miscellaneous Income	21	123
	<b>Total</b>	<b>13,524</b>	<b>12,725</b>
29	Changes in inventories of finished goods	For the period ended December 31, 2024	For the year ended March 31, 2024
	a) Opening stock of finished goods	20,603	18,397
		20,603	18,397
	b) Closing stock of finished goods	26,858	20,603
		26,858	20,603
	<b>Changes in inventories of finished goods</b>	<b>(6,255)</b>	<b>(2,207)</b>
30	Employee benefit expenses	For the period ended December 31, 2024	For the year ended March 31, 2024
	Salaries and wages	2,671	3,814
	Contribution to provident fund and other funds	601	989
	Staff welfare expenses	268	451
	<b>Total</b>	<b>3,540</b>	<b>5,254</b>
31	Finance costs	For the period ended December 31, 2024	For the year ended March 31, 2024
	Unwinding of discount on provision	660	804
	Interest on lease liability	6	8
	Interest	4,320	6,331
	Other Interests	472	535
	<b>Total</b>	<b>5,457</b>	<b>7,678</b>



32	<b>Depreciation and Amortization expense</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Depreciation of Property, Plant and Equipment	358	639
	Amortization of intangible assets	15,178	18,754
	Depreciation on right of use assets	107	140
	Impairment expenses	-	1,619
	<b>Total</b>	<b>15,642</b>	<b>21,151</b>
33	<b>Power and fuel</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Power and fuel	610	870
	<b>Total</b>	<b>610</b>	<b>870</b>
34	<b>Excavation and transport charges</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Excavation & transport charges for run of mine	4,573	6,120
	Excavation & transport charges for overburden	30,628	37,392
	Excavation of coal & OB removal	54,137	66,376
	<b>Total</b>	<b>89,338</b>	<b>1,09,889</b>
35	<b>Other expenses</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Rents	17	11
	Repairs & maintenance	106	165
	Insurance	21	10
	Rates and taxes		
	Royalty	19,524	30,505
	DMF	2,823	5,109
	NMET	390	610
	Cess	285	624
	Reserve price	15,171	20,212
	MPGSVA Exp	5,418	7,218
	Forest tax coal exp	2,475	2,868
	Other rates and taxes	263	664
	<b>Administrative and Selling Expenses</b>		
	Operating expenses	218	766
	Purchase of survey stones	-	24,574
	Transport and wagon loading charges	317	1,144
	Selling expenses	205	346
	Prospecting & Mining Lease expenses	78	938
	Office & General expenses	1,560	1,926
	Payment to auditors (refer note no 35.1)	10	13
	Audit fee for other auditors	16	25
	Printing & stationery	40	70
	Corporate Social Responsibility Expenses ( Refer Note No.48)	1,083	3,545
	Remuneration to outsourced services	4,200	4,966
	Bad & doubtful debts	-	476
	Provision for doubtful advances	-	2,571
	Data processing charges	212	73
	Rehabilitation expenses	1,097	1,298
	Donations	500	-
	Miscellaneous expenditure	27	31
	<b>Total</b>	<b>56,008</b>	<b>1,10,757</b>





35.1	Payment to Auditors	For the period ended December 31, 2024	For the year ended March 31, 2024
	Statutory audit fee	10	13
	<b>Total</b>	<b>10</b>	<b>13</b>
36	Income Tax		
	The major components of income tax expense for the period ended December 31, 2024 and March 31, 2024 are:		
	Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
	Current Tax Expenses :		
	Current income tax charge	15,855	24,563
	<b>Total (A)</b>	<b>15,855</b>	<b>24,563</b>
	Deferred Tax Expenses:		
	In respect of current year origination and reversal of temporary differences	2,019	12,874
	<b>Total (B)</b>	<b>2,019</b>	<b>12,874</b>
	<b>Total (A+B)</b>	<b>17,875</b>	<b>37,438</b>
	Other Comprehensive Income		
	Items that will not be reclassified to PSL	For the period ended December 31, 2024	For the year ended March 31, 2024
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(10)	(75)
	Leave encashment	(21)	60
	<b>Total</b>	<b>(31)</b>	<b>(15)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
	Profit/(loss) before tax as per statement of profit and loss	69,745	1,43,391
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed tax expense	17,553	36,089
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	2,019	12,874
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	273	892
	b) Change in depreciation & Amortisation	(2,151.96)	(13,210)
	c) Provision for doubtful items	-	647
	d) Other items	181.00	146
	<b>Total income tax expense for the year</b>	<b>17,874</b>	<b>37,438</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.12.2024	As at 31.03.2024
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,702
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs 1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>98,993</p> <p>5,565</p>	<p>85,765</p> <p>13,228</p>
vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2023-24, the total demand raised, deposits made and remaining un paid amount.</p> <p>{Details given below}</p>	<p>2,262</p>	<p>2,262</p>



B	Contingent liability on BG's: bank guarantees furnished to different authorities on behalf of the company.	80,274	80,274
C	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 31-12-2024, the total demand raised, deposits made and remaining unpaid are as follows,

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	<b>469</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial Instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st December, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,505	-	1,505
Loans	-	-	30,553	-	30,553
Trade receivables	-	-	79,037	-	79,037
Cash and Cash equivalents	-	-	41,530	-	41,530
Other bank balances	-	-	56,585	-	56,585
Other financial assets	-	76	11,698	-	11,774
<b>Total</b>	-	<b>76</b>	<b>2,20,908</b>	-	<b>2,20,984</b>
<b>Financial Liabilities:</b>					
Borrowings	-	-	-	58,645	58,645
Lease Liability	-	-	-	23	23
Trade payables	-	-	-	8,528	8,528
Other financial liabilities	-	-	-	27,566	27,566
<b>Total</b>	-	-	-	<b>94,763</b>	<b>94,763</b>

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,413	-	1,413
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other Bank balances	-	-	66,733	-	66,733
Other Financial assets	-	75	7,628	-	7,703





Total	75	2,09,696	2,09,771
<b>Financial Liabilities:</b>			
Borrowings	-	-	71,472
Lease Liability	-	-	134
Trade payables	-	-	19,437
Other financial liabilities	-	-	29,143
Total	-	-	1,20,186

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined/ modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	Up to 31-12-2024	2023-24
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,417
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,417
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	Up to 31-12-2024	2023-24
Ageing	<12 Months	<12 Months
Gross carrying amount	79,037	74,564
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	79,037	74,564



#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit	
	Up to 31-12-2024	2023-24
Selling price increase by 5%		
Barytes & Coal	10,894	17,627
Survey Stones	.	1,377
Selling price decrease by 5%		
Barytes & Coal	(10,894)	(17,627)
Survey Stones	.	(1,377)

###### b. Excavation & Transport Charges risk

Particulars	Impact on profit			
	Up to 31-12-2024		2023-24	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense.				
Excavation & transport charges for run of mine	(229)	229	(306)	306
Excavation & transport charges for overburden	(1,531)	1,531	(1,870)	1,870
Excavation of Coal & OB Removal	(2,707)	2,707	(3,319)	3,319

#### 40. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.



**As at 31st December 2024**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,528	8,528	8,528	-
Non-current financial liabilities	53,936	53,936	-	53,936
Current financial liabilities	32,299	32,299	32,299	-
<b>Total</b>	<b>94,763</b>	<b>94,763</b>	<b>40,827</b>	<b>53,936</b>

**As at 31st March 2024**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-12-2024	As at 31-03-2024
Employers contribution to provident fund	139	173
Employers contribution to pension fund	53	78

**B. Defined benefit plans**

1. The following table set out the funded status of the gratuity plans (funded), leave encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> December, 2024 and 31<sup>st</sup> March 2024

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	684	694	682	706
Service cost	15	17	23	27
Interest expenses	35	47	34	52
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
<b>Benefits paid</b>	<b>(73)</b>	<b>(139)</b>	<b>(95)</b>	<b>(36)</b>



Remeasurements (gains)/losses	actuarial	6	65	20	(67)
<b>Benefit obligations at the end</b>		<b>666</b>	<b>684</b>	<b>663</b>	<b>682</b>

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	619	503	845	822
Interest income	32	41	43	61
Employer contributions	36	224	9	6
Benefit payments from plan assets	(73)	(139)	(95)	(36)
Actuarial gain / (loss) on plan assets	(4)	(10)	(2)	(7)
<b>Benefit obligations at the end</b>	<b>610</b>	<b>619</b>	<b>801</b>	<b>845</b>

ii. Amount recognized in the Balance sheet

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
PV of obligations at the end of the year	666	684	663	682
Fair value of plan assets at the end of the year	610	619	801	845
Liability (+) / Asset (-) recognised in the balance sheet	56	65	(138)	(164)

iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Service cost	15	17	23	27
Interest expenses	3	6	(9)	(9)
<b>Net expense recognised</b>	<b>18</b>	<b>23</b>	<b>14</b>	<b>18</b>



iv. Amount for the year/period ended December 31, 2024 and March 31, 2024 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Actuarial (gain)/losses on obligations for the period	6	65	20	(67)
Actuarial (gain)/losses on plan assets for the period	4	10	1	7
<b>Net expense recognised</b>	<b>10</b>	<b>75</b>	<b>21</b>	<b>(60)</b>

Assumptions	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Rate of discounting	6.99%	7.21%	6.99%	7.21%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.85%	14.06%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Expected cash flow in year 1	85	104	146	153
Expected cash flow in year 2	72	65	117	122
Expected cash flow in year 3	80	70	104	101
Expected cash flow in year 4	91	76	105	91
Expected cash flow in year 5	34	88	56	94
Expected cash flow in year 6	148	32	95	49
Expected cash flow in year 7	72	147	50	84
Expected cash flow in year 8	8	66	24	44
Expected cash flow in year 9	83	8	60	21





Expected cash flow in year 10	41	85	22	54
Expected cash flow in year 11+	480	485	124	123

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		(% of change)	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	666	684	0.00%	0.00%
Salary escalation - up by 1%	683	702	2.58%	2.65%
Salary escalation - down by 1%	646	664	-2.98%	-2.91%
Withdrawal rates - up by 1%	672	691	0.92%	0.96%
Withdrawal rates - down by 1%	659	677	-1.03%	-1.07%
Discount rates - up by 1%	626	645	-5.96%	-5.73%
Discount rates - down by 1%	711	729	6.80%	6.52%
Mortality rates- up by 10%	667	684	0.05%	0.05%
Mortality rates- down by 10%	666	684	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. in. Lakhs)		(% of change)	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	663	682	0.00%	0.00%
Salary escalation - up by 1%	691	712	4.20%	4.40%
Salary escalation - down by 1%	637	654	-3.90%	-4.10%
Withdrawal rates - up by 1%	663	682	0.00%	0.00%
Withdrawal rates - down by 1%	663	682	0.00%	0.00%
Discount rates - up by 1%	640	658	-3.50%	-3.50%
Discount rates - down by 1%	688	707	3.80%	3.70%
Mortality rates- up by 10%	663	682	0.00%	0.00%
Mortality rates- down by 10%	663	682	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.



#### **k. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and Inflation risk**

Since price Inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-12-2024	As at 31-03-2024
Profit after tax before exceptional items	52,183	106,331
Add: exceptional items	-	-
Profit after tax after exceptional items	52,183	106,331
Profit available for equity shareholders	52,183	106,331
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	82,749.37	168,613.73
Basic and diluted earnings per share (In Rupees) – after exceptional item	82,749.37	168,613.73

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,19,528 Lakhs is derived from four customers (P.Y 2,36,138 Lakhs from four customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the period from 01-04-2024 to 31-12-2024**

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,20,561	-	-	2,20,561
<b>Total segment revenue</b>	<b>2,20,561</b>	<b>-</b>	<b>-</b>	<b>2,20,561</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	73,640	-	-	73,640
Unallocated other income	-	-	4,611	4,611
Unallocated expenses and finance cost	-	-	(8,506)	(8,506)
<b>Profit before exceptional items and tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,895)</b>	<b>69,745</b>
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	313	313
<b>Profit before tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,582)</b>	<b>70,058</b>
Income tax - Current	-	-	(15,855)	(15,855)
Deferred tax	-	-	(2,019)	(2,019)
<b>Profit after tax</b>	<b>73,640</b>	<b>-</b>	<b>(21,456)</b>	<b>52,183</b>
<b>Other Information</b>				
Segment assets **	2,82,955	15,266	2,44,268	<b>5,42,489</b>
Segment liabilities **	1,52,179	3,656	33,587	<b>1,89,421</b>
Capital work in progress	632	-	8	<b>640</b>
Depreciation and amortisation	15,372	-	270	<b>15,642</b>



Non-cash expense other than depreciation and amortisation	-	-	660	660
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<sup>\*\*</sup> Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

**Note:** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2023-24**

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	3,56,515	-	27,545	3,84,059
<b>Total segment revenue</b>	<b>3,56,515</b>	<b>-</b>	<b>27,545</b>	<b>3,84,059</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,607	12,607
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
<b>Profit before exceptional items and tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,702)</b>	<b>1,43,391</b>
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	378	378
<b>Profit before tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,324)</b>	<b>1,43,769</b>
Income tax - current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
<b>Profit after tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(65,761)</b>	<b>1,06,331</b>
<b>Other Information</b>				
Segment Assets **	2,87,044	15,273	2,13,552	5,15,869
Segment Liabilities **	1,56,962	3,696	54,295	2,14,952
Capital work in progress	539	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152
Non-cash expense other than depreciation and amortisation	-	-	3,851	3,851





**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagaon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy {01-04-24 to 07-06-24}	Vice Chairman & Managing Director
Dr. N. Yuvaraj {07-06-24 to 24-06-2024}	
Sri Pravin Kumar, IAS (24-06-2024 onwards)	





**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited- APSFSL	
The Commissioner SS&LR Department	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1



Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG, Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.



#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.39.07 lakhs against pending payables recognised in previous years.



**46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswanl mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in





	operative
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Samyuktha Granite private limited	The financial statements of the associate for the interim period were not available at the time of preparing the consolidated financial statements. Consequently, the interim results have not been included. However, based on a materiality assessment, the associate's share of profit or loss is considered immaterial in relation to the overall financials of the parent company, and its exclusion is not expected to have a significant impact on the consolidated results.
Naandhi Granites India Private limited	The financial statements of the associate for the interim period were not available at the time of preparing the consolidated financial statements. Consequently, the interim results have not been included. However, based on a materiality assessment, the associate's share of profit or loss is considered immaterial in relation to the overall financials of the parent company, and its exclusion is not expected to have a significant impact on the consolidated results.
Shambhavi Stones AP Private Limited	The financial statements of the associate for the interim period were not available at the time of preparing the consolidated financial statements. Consequently, the interim results have not been included. However, based on a materiality assessment, the associate's share of profit or loss is considered immaterial in relation to the overall financials of the parent company, and its exclusion is not expected to have a significant impact on the consolidated results.

#### Joint Ventures

Name of the Joint venture	Reason
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed





	by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.

#### 47. Deferred tax asset /(liability)

Particulars	As at 31-12-2024	As at 31-03-2024
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,526	2,363
Provision for lease liability	0	0
Other provisions	3,438	3,441
<b>Total deferred tax asset</b>	<b>5,964</b>	<b>5,804</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,218	1,257
Investments	85	85
Mining Infrastructure Assets	12,642	8,607
Mining Infrastructure Assets - R&R - M'pet	6,702	8,519
<b>Total deferred tax liability</b>	<b>20,647</b>	<b>18,468</b>
<b>Deferred tax asset /(liability) - net</b>	<b>14,683</b>	<b>12,663</b>

#### 48. CSR Expenditure

- a. Gross amount required to be spent by the company during the year is Rs.1,331/- (Previous Year Rs.944).
- b. Amount spent during the year

Particulars	Period ended 31-12-2024	Year ended 31-03-2024
Construction/ acquisition of any assets	-	-
Purpose other than above	1,083	3,545

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable



- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction: Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 1,083 lakhs (PY Rs. 3,545 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year/period should be shown separately: Nil.

#### 49. Treatment of demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC -58.32%
  - TSMDC -41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.



- i. The approval of the Telangana State Government is still pending. VC&MD, APMDCL has addressed TSMDC vide Lr. No. APMDCL/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### Interim division of funds in current accounts, fixed deposits, sweep accounts

During the financial year 2023-24 a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDC on 29<sup>th</sup> January, 2024 and as per terms of the MOU, both APMDCL and TSMDC have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio.

Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs.1,393.43 crores and same has been distributed in the population



ratio i.e. APMDCL @58.32% and TSMDCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCL respectively, vide Memo No.4354/M.I(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines I) Department, Government of Telangana.

#### **50. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs 100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II - Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.



Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under-

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFIL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC





It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

### **54. Non valuation of inventory**

#### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (68.30 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the



financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s.Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.12.2024 is 1.55 lakh MT's (including 61 MTs of Grade - 1) which the company has not valued.

#### c. Inventory of survey stones

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-12-2024.

#### 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Brahmadiha	105.153
	<b>Total</b>	<b>1,948.063</b>

#### 56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSF5CL)

Company has received a letter from APSF5CL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSF5CL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-12-2024 for which deposit certificates have been obtained from the APSF5CL. APMDCL has received interest regularly till 31-12-2024 and during the period APMDCL has not withdrawn any amounts deposited with the APSF5CL and confirmation of balance has been obtained.



## **57. Note on Survey Stones**

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDC with the responsibility of procurement and supply of survey stones to meet the requirement of SS&LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.

## **58.Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No 103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.

## **59. Note on sale of barytes**

Pursuant to Letter No. 2481753/A2/M.III/2024 dated 16th August 2024, the corporation has recognized revenue from the sale of barytes at the prevailing rates, which are based on the price fixed in December 2023 as per government orders. The previous rate fixed in December 2023 remained in effect until June 2024. Additionally, a 10% premium over the existing price has been collected as a security deposit, which will be adjusted upon the



finalization of new prices through the sales tender. Necessary adjustments to sales will be made accordingly. Therefore, the recognized revenues are subject to change to that extent.

#### 60. Leases (Ind AS 116)

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the period ended December 31, 2024:

(i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the period ended December 31, 2024.

(ii) Movement in Lease liability with Current/Non-Current break-up:

Particulars	As at 31-12-2024	As at 31-03-2024
Balance at the beginning of the year	134	113
Additions during the year/period	-	167
Deletions during the year/period	3	-
Finance cost accrued during the period	6	8
Payment of lease liabilities	114	155
<b>Balance at the closing of the year/period</b>	<b>23</b>	<b>134</b>

#### Amounts recognised in profit or loss

Particulars	As at 31-12-2024	As at 31-03-2024
Interest expenses	6	8
Depreciation charge for right-of-use assets	107	140

Contractual maturity analysis of undiscounted lease liabilities is given below:

Maturity Analysis of lease liabilities (undiscounted):

Particulars	As at 31-12-2024	As at 31-03-2024
Less than one year	23	134

#### 61. Note on provision for decommissioning and deposit under mine closure plan

##### A. Details of provision for Decommissioning

Name of the project	As at 31-03-2024	Provision made during the period	Provision reversed during the period	As at 31-12-2024
Mangampet-Barytes	672	47	-	719
Ballclay	31	2	-	33
Mangampet - Dolomite	583	40	-	623
Suliyari - Coal	8,102	559	-	8,661
<b>Total</b>	<b>9,388</b>	<b>648</b>	<b>-</b>	<b>10,036</b>





**B. Details of deposit with banks under mine closure plan**

Particulars	As at 31-12-2024	As at 31-03-2024
Opening balance	2,347	1,082
Add: Deposits Made during the year/period	198	1,200
Add: Interest Credited during the year/period (Net of TDS)	88	65
Less: Amount withdrawn during the year/period	-	-
Closing Balance	2,633	2,347

62. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

**63. Analytical Ratios**

The following are analytical ratios for the period ended 31<sup>st</sup> December, 2024.

Sl.no	Particulars	Numerators	Denominators	31-12-24	31-03-24
1	Current Ratio	Current Assets	Current Liabilities	2.49	1.93
2	Debt -Equity Ratio	Total Debt	Shareholders' funds	0.17	0.24
3	Debt service coverage ratio	Earnings available for debt service	Debt services	7.34	10.38
4	Return on equity	Profit after tax	Average shareholders fund	14.78%	35.34%
5	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	9.29	19.7
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	2.87	6.86
7	Trade payable turnover ratio	Net credit purchases	Average trade Payables	6.39	7.09
8	Net Capital Turnover Ratio	Net Sales	Working capital	1.34	3.17
9	Net profit ratio	Net profit	Net sales	23.66%	27.69%
10	Return on capital employed	Earnings before interest and taxes	Capital employed	18.23%	44.29%
11	Dividend payout Ratio	Total Dividend	Net income	-	122.52%

\*The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12





months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods.

#### 64. Additional information

##### a. Particulars of consumption of stores & spares

(Rs.in. Lakhs)

Particulars	Figures as at the end of December 31, 2024		Figures as at the end of March 31, 2024	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	106	100.00	165	100.00
<b>Total</b>	<b>106</b>	<b>100.00</b>	<b>165</b>	<b>100.00</b>

##### b. Value of imports calculated on CIF basis and expenditure in foreign currency

(Rs.in. Lakhs)

Particulars	31-12-2024	31-03-2024
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 65. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023, 20<sup>th</sup> January, 2025 and 05<sup>th</sup> February 2025 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2024, the board of directors of the company in their meeting held on 21<sup>st</sup> February, 2025 approved the financial statements for the period ending 31<sup>st</sup> December, 2024.

In view of this, the reported amounts as on 31<sup>st</sup> December, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024. Necessary adjustments if any will be made in subsequent years.



## 66. Payment of dividend

During the previous year 2023-24, the company paid an interim dividend of Rs.400.00 crores related to financial year 2022-23 and Rs.900.00 crores related financial year 2023-24.

## 67. Additional Regulatory Disclosures.

- a. There no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The company has not been declared a wilful defaulter by any bank or financial institutions.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.
- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts
- h. The company uses an accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the accounting software.



- k. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the period/year.

#### **68. Note on consolidation of Andhra Pradesh Granite (Midwest) Private Limited**

The financial statements of Andhra Pradesh Granite (Midwest) Private Limited, a joint venture entity, have not been subjected to an independent statutory audit for the reporting period. As a result, the financial information incorporated into the consolidated financial statements of the Group has been derived solely from financial statements that have been certified by the management of the said joint venture. These management-certified statements have been reviewed and relied upon in good faith for the purposes of consolidation. The Holding company management believes that the information provided is accurate, complete, and prepared in accordance with applicable accounting principles to the best of their knowledge and understanding.

#### **69. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.

#### **70. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current period.
- d. The financial Statements for the period of 9 months have been prepared for the purpose of compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in connection with the proposed private placement of securities, approved by the Board in 422th Board Meeting dt. 18-Jan-2024
- e. The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12-months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods. The current period includes adjustments for any events or transactions that occurred during the 9 months, and previous year's results reflects the full annual performance.



- f. All amounts have been reported in Rs. in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0.50 lakhs.

**For M N RAO & ASSOCIATES**

Chartered Accountants

Firm Regn No.005386S



**D.S.S. Srikanth**

Partner

Mem No.250883



UDIN: 25250883BMKPFU6808

Date: 15-Apr-2025

**for and on behalf of the board of directors**



**Sri Pravin Kumar**  
Managing Director  
DIN: 07106418



**G. Rama Subbaiah**  
Director  
DIN: 10915409



**V.V.V. Phani Kumar**  
General Manager-F&A



**Place: Vijayawada**

**Date: February 21, 2025**



## KEY INFORMATION DOCUMENT



(Registered in the Republic of India as The Andhra Pradesh Mineral Development Corporation Limited

Incorporated under the provisions of Companies Act, 1956

For more information about our Company, please refer "Issuer Information" given in Section 7 of this Key Information Document

Principal Place of Business: Vijayawada, Andhra Pradesh

Corporate Office: # 294/1D, 100 Feet Tadigadapa to Enikepadu Road, Tadigadapa, Vijayawada – 521 137, Andhra Pradesh

Date and Place of Incorporation: 24.02.1961, Hyderabad, Andhra Pradesh

Registered Office: D.No.6-1-67/19/1 &amp; 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India, 500004

Telephone: +91(0)866- 2429999 Website: www.apmdc.ap.gov.in | Email: cslegal-ho@apmdc.in

PAN: AAAC7391N | CIN: U13209TG1961SGC000871 | LEI : 335800S8NK5A3UC12866

**KEY INFORMATION DOCUMENT DATED MAY 08, 2025 IN RELATION TO ISSUE UNDER THE GENERAL INFORMATION DOCUMENT DATED APRIL 22, 2025, BY WAY OF PRIVATE PLACEMENT OF SENIOR, SECURED, RATED, LISTED, REDEEMABLE AND TAXABLE NON-CONVERTIBLE BONDS ("NCD" OR "DEBENTURES" OR "BONDS"); SUPPORTED BY UNCONDITIONAL & IRREVOCABLE GUARANTEE FROM THE GOVERNMENT OF ANDHRA PRADESH ("GOAP"), IN THE FORM OF A CONTINUING OBLIGATION, FOR THE TIMELY SERVICING OF THE INTEREST AND PRINCIPAL IN RESPECT OF SUCH DEBENTURES / BONDS, OF FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH FOR CASH AT PAR, AGGREGATING UPTO INR 8999.91,00,000/- (INDIAN RUPEES EIGHT THOUSAND NINE HUNDRED NINETY NINE CRORES AND NINETY ONE LAKHS ONLY) ("DEBT SECURITIES" / "NCDs" / "DEBENTURES") WITH A BASE ISSUE SIZE OF INR 1999.98,00,000 (INDIAN RUPEES ONE THOUSAND NINE HUNDRED NINETY NINE CRORES AND NINETY EIGHT LAKHS ONLY) ALONG WITH GREEN SHOE OPTION OF INR 6999.93,00,000 (INDIAN RUPEES SIX THOUSAND NINE HUNDRED NINETY NINE CRORES AND NINETY THREE LAKHS ONLY), OUT OF WHICH THE ISSUER HAS ACCEPTED BIDS FOR SUBSCRIPTION OF BONDS FOR AN AGGREGATE AMOUNT OF INR 3489.21,00,000 (INDIAN RUPEES THREE THOUSAND FOUR HUNDRED EIGHTY NINE CRORES AND TWENTY ONE LAKHS ONLY), COMPRISING OF A BASE ISSUE SIZE OF INR 1999.98,00,000 (INDIAN RUPEES ONE THOUSAND NINE HUNDRED NINETY NINE CRORES AND NINETY EIGHT LAKHS ONLY) ALONG WITH GREEN SHOE OPTION OF INR 1489.23,00,000 (INDIAN RUPEES ONE THOUSAND FOUR HUNDRED EIGHTYNINE CRORES AND TWENTY THREE LAKHS ONLY).**

Any terms used under this Key Information Document will have the meaning defined under the General Information Document dated April 22, 2025. This Key Information Document includes the final terms and details of the offer of the Debentures (defined above) and must be read in conjunction with General Information Document. To the extent any disclosures made by the Issuer under the General Information Document dated April 22, 2025, have not been updated under this Key Information Document, please refer to such disclosures under the General Information Document dated April 22, 2025.

## GENERAL RISKS

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 6 of this Key Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

## CREDIT RATING

The Debentures have been assigned a rating of (a) Provisional IND AA(CE)/Stable by India Ratings and Research Private Limited and Provisional | ACUIITE AA | CE | Stable from Acuite Rating & Research pursuant to its letter dated April 16, 2025, and May 06, 2025. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. Please refer to Annexure I for rating letters for the above ratings along with press release/rationale by the credit rating agencies. The Credit Rating Agency has the right to suspend, withdraw the rating at any time on the basis of new information etc. The rating of the Credit Rating Agencies can be accessed at www.indiaratings.co.in and www.acuite.in.

## LISTING

The Debentures to be issued through this Key Information Document are proposed to be listed on NSE which is acting as the Designated Stock Exchange for the Issue.

## ISSUE SCHEDULE

ISSUE OPENING DATE	ISSUE CLOSING DATE	ISSUE EARLIEST CLOSING DATE	PAY-IN DATE	DEEMED DATE OF ALLOTMENT
08.05.2025	08.05.2025	NA	09.05.2025	09.05.2025

## DETAILS ABOUT ARRANGER AND ELIGIBLE INVESTORS

Arrangers: TRUST INVESTMENT ADVISORS PRIVATE LIMITED

Eligible Investors: The Eligible Investors are the 'eligible investors' as defined in Section 14 "Issue Details" of this Key Information Document

Underwriting: The current issue is not being underwritten.

COUPON RATE / TYPE	COUPON PAYMENT FREQUENCY	REDEMPTION DATE	REDEMPTION AMOUNT
9.30%/Fixed	Quarterly	08.05.2035	At Par

## THE NATURE, NUMBER, PRICE AND AMOUNT OF SECURITIES OFFERED, AND ISSUE SIZE (BASE ISSUE OR GREEN SHOE), AS MAY BE APPLICABLE.

Issue of Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures ("NCD" or "Debentures" or "Bonds"); supported by Unconditional & Irrevocable guarantee from the Government of Andhra Pradesh ("GoAP"), in the form of a continuing obligation, for the timely servicing of the interest and principal in respect of such Debentures / Bonds, of face value of INR 1,00,000/- (Indian Rupees One Lakh only) with base issue size aggregating up to INR 1,999.98 crores (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs Only) and with an option to retain oversubscription up to INR 6,999.93 Crores (Indian Rupees Six Thousand Nine Hundred Ninety Nine Crores and Ninety Three Lakhs Only Only), in total aggregating up to an amount of INR 8,999.91 Crores (Indian Rupees Eight Thousand Nine Hundred Ninety Nine Crores and Ninety One lakhs Only) (collectively, the "Debentures");

**Compliance Clause of EBP:** The Issue is made on the Electronic Book Building Mechanism of NSE in compliance with SEBI Debt Regulations and EBP Guidelines. The General Information Document and this Key Information Document for each tranche or issuance of Debt Securities will be uploaded on the EBP of stock exchange in compliance with the applicable EBP Guidelines.

It is hereby clarified that Section 26 of the Companies Act is not applicable to the Issue, and therefore no additional disclosures have been made in relation to Section 26 of the Companies Act under this Key Information Document and accordingly, a copy of this Key Information Document has not been filed with the Registrar of Companies.

DETAILS OF KMP		AUDITOR	PROMOTER
<b>COMPANY SECRETARY AND COMPLIANCE OFFICER</b>	<b>CHIEF FINANCIAL OFFICER</b>		
Name: Somu Siva Rama Krishna Telephone Number: 0866-2429999 Email address: cslegal-ho@apmdc.in	Name: V.V.V. Phani Kumar* Telephone Number: +91 8106599009 Email address: gm-finance@apmdc.in	Name: M/s. M.N. Rao & Associates, Chartered Accountants Telephone Number: +9182422766 Email address: audit@mnrao.in Contact Person: Mr. Santhosh Kumar	Government of Andhra Pradesh #

\*The Company is not required to appoint a Chief Financial Officer (CFO) in terms of the provisions of Companies Act, 2013. Accordingly, Mr V.V.V Phani Kumar, General Manager (Finance and Accounts) is overseeing the finance function in the Company.

# Governor of the Andhra Pradesh- represented by assistant secretary to Government (Mines), Industry and Commerce Department.

The Issuer declares that permanent account number of the Directors of the Issuer have been submitted to NSE at the time of filing the Key Information Document. However, as the Government of Andhra Pradesh is the Promoter of the Issuer, documents in relation to the Government of Andhra Pradesh cannot be submitted to NSE.

## DETAILS OF INTERMEDIARIES

DEBENTURE TRUSTEE TO THE ISSUE	CREDIT RATING AGENCIES		REGISTRAR TO THE ISSUE
 Name: Beacon Trusteeship Limited Address: 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra(East), Mumbai – 400 051 Tel: 022 – 46060278 Email: compliance@beacontrustee.co.in Website: <a href="http://www.beacontrustee.co.in">www.beacontrustee.co.in</a> Contact Person: Kaustubh Kulkarni	 Name: India Ratings and Research Limited Address: Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Tel : +91 22 4000 1700 E-mail: <a href="mailto:info@indiaratings.co.in">info@indiaratings.co.in</a> Website: <a href="http://www.indiaratings.co.in">www.indiaratings.co.in</a> Contact Person: Anuradha Basumatari	 Name: Acuite Rating & Research Limited Address: 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 Tel.: +91 2249294000 E-mail: <a href="mailto:info@acuite.in">info@acuite.in</a> Website: <a href="http://www.acuite.in">www.acuite.in</a> Contact Person: Parth Pandit	 Name: MUFG Intime India Private Limited (erstwhile known as Link Intime India Private Limited) Address: C-101, 247 park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Email id: <a href="mailto:ganesh.jadhav@in.mpmf.mufg.com">ganesh.jadhav@in.mpmf.mufg.com</a> Website: <a href="http://www.in.mpmf.mufg.com">www.in.mpmf.mufg.com</a> Telephone Number: 9910402901 Fax number: (022) 49186060 Contact Person Name: Ganesh Jadhav

The Issue of the Debentures shall be subject to the provisions of the SEBI Debt Regulations, SEBI LODR Regulations, the terms and conditions of the GID and as modified/ supplemented by the terms of this Key Information Document to be filed with the Stock Exchanges, the Debenture Trust Deed and the Transaction Documents in relation to the Issue. Capitalized terms used here have the meaning ascribed to them in the General Information Document.

The Issuer reserves its sole and absolute right to modify (prepone/ postpone) the issue schedule for each Tranche of Debt Securities without giving any reasons or prior notice in accordance with applicable law. The issuer also reserves its sole and absolute right to change the Deemed Date of Allotment/Pay in date of each Tranche of Debt Securities without giving any reasons or prior notice.



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**Issuer's Absolute Responsibility**

*The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Key Information Document read with the General Information Document contains all information with regard to the Issuer and the issue which is material in the context of the Issue, that the information contained in this Key Information Document read with the General Information Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.*

**1. DEFINITIONS AND ABBREVIATIONS**

In this Key Information Document, unless the context otherwise requires, the terms defined, and abbreviations expanded below, have the same meaning as stated in this section. Terms not defined herein shall have the meaning ascribed to them under the General Information Document. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

**1.1 Issuer Related Terms**

<b>Term</b>	<b>Description</b>
Auditors	As set out in the Key Information Document for the relevant series/ tranche (as applicable).
Directors/ Board of Directors/ Board	The Board of Directors of the Company for the time being and from time to time
Issuer	The Andhra Pradesh Mineral Development Corporation Limited
Related Party	The related parties of the Issuer as per its financials forming part of General Information Document and Key Information Document(s) for the relevant series/ tranche (as applicable).

**1.2 Other Terms**

<b>Term</b>	<b>Description</b>
Allot/ Allotment/ Allotted	Means the allotment of the Debt Securities pursuant to this Issue.
Applicable Law/ Applicable Laws	Means any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, notification, direction, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Information Memorandum or at any time thereafter in India.
Arranger	Means Trust Investment Advisors Private Limited
Beneficial Owner(s)	Person(s) holding the Debt Securities and whose name(s) is recorded as "Beneficial Owner" with the Depository (for the Debt Securities held in dematerialized form) as defined under clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.
Business Day	means a day (other than a Saturday, Sunday or a day on which commercial banks are closed for business in Mumbai/ Vijayawada) on which the money market is functioning in Mumbai and "Business Days" shall be construed accordingly
Coupon	means, in respect of a Debenture for the Coupon Period, the amount of interest payable on the face value at the Coupon Rate, as set out in the section titled 'Issue Details' of this Key Information Document.
Coupon Rate	As set out in the section titled 'Issue Details' of this Key Information Document.
Credit Rating Agencies	Means India Ratings and Research Limited and Acuite Rating & Research Limited

Term	Description
	<b>“Credit Rating Agency”</b> shall mean each one of them.
Debenture Holders	means initially the person(s) who are the subscribers to the Debentures and for the time being holders of the Debentures and for the subsequent Debenture Holder(s) means its transferees, novatees, successors in title and permitted assigns, each who fulfils the following requirements: <ul style="list-style-type: none"> <li>a) registered as such as Beneficial Owners; and</li> <li>b) registered as debenture holder(s) in the Register of Debenture Holder(s);</li> </ul> (and shall include registered transferees of the Debentures from time to time with the Company and the Depository) and in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail.
Debenture Documents	means (i) the Debenture Trust Deed and any amendatory or supplementary deed thereto; (ii) the Debenture Trustee Agreement; (iii) Security Documents (iii) the General Information Document and Key Information Document; and (iv) any other document that may be designated as a Debenture Document by the Debenture Trustee and the Company; and “Debenture Document” means any of them
Debenture Trustee	means trustee registered under the Debenture Trustee Regulations and acting for and on behalf of and for the benefit of the Debenture Holders, in this case being Beacon Trusteeship Limited.
Debenture Trustee Agreement/ Agreement	The agreement dated March 11, 2025, entered into between the Issuer and the Debenture Trustee, for the appointment of the Debenture Trustee.
Debenture Trust Deed	means the debenture trust deed to be entered into, <i>inter alia</i> , between the Issuer and the Debenture Trustee.
Debenture Trustee Master Circular	Means the Master Circular for Debenture Trustees’ dated May 16, 2024 bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46, as amended from time to time.
Debenture Trustee Regulations	Means the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, as amended from time to time.
Deemed Date of Allotment/ Pay-In Date	As set out in the section titled ‘ <i>Issue Details</i> ’ of this Key Information Document.
Depository	Means a depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL or CDSL.
Designated Stock Exchange/ NSE/ Exchange(s)/ Stock Exchange	National Stock Exchange of India Limited.
EBP Guidelines	Means the Guidelines for Electronic Bidding Platform issued by NSE and as updated, amended or modified from time to time.
Eligible Investor	As set out in the section titled ‘ <i>Issue Details</i> ’ of this Key Information Document.
Event of Default	As set out in the section titled ‘ <i>Issue Details</i> ’ of this Key Information Document.
Governmental Authority	Means any: <ul style="list-style-type: none"> <li>a) government (central, federal, state or otherwise) or sovereign state;</li> <li>b) any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof;</li> <li>c) international organisation, agency or authority, or including, without limitation, central bank, any stock exchange or any self-regulatory organization, established under any Applicable Law.</li> </ul>
Identified Investors	Persons who are Eligible Investors or retail investors as the context may require under this Key Information Document for the NCDs.
Issue	Means issue of the Debentures pursuant to the terms of this Key Information Document and the General Information Document.

Term	Description
Issue Document/ Offer Document/Private Placement Offer Cum Application Letter	Means this Key Information Document read with the General Information Document.
Key Information Document	Means this document, issued under the General Information Document and containing <i>inter alia</i> the terms and conditions regarding each series/ tranche (as applicable) of Debentures be issued under the Issue.
NCD	Non-Convertible Debentures/ Non-Convertible Debt Securities.
Promoter	State Government of Andhra Pradesh
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
Record Date	Means in relation to payment of interest in connection with the NCDs or repayment of principal in connection therewith, the date falling 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the Redemption Date or such other date as may be determined by the Board of Directors (as permitted under applicable law) thereof from time to time in accordance with the applicable law. In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Issuer in accordance with the applicable law to the Stock Exchanges, will be deemed as the record date. In case of maturity date (being the date of last redemption instalment) of the Debentures, the trading in the Debentures shall remain suspended between the record date and the Maturity Date.
Redemption Dates	The dates on which the Debt Securities shall be redeemed in accordance with the Redemption Schedule as set out in the section titled 'Issue Details' of this Key Information Document.
Registrar/Registrar to the Issue	Means MUFG Intime India Private Limited ( <i>erstwhile known as Link Intime India Private Limited</i> )
SEBI Act	Means the Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Debt Regulations	Means SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 issued by SEBI, as amended from time to time.
SEBI LODR Regulations	Means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by SEBI, as amended from time to time.
SEBI Regulations/SEBI Guidelines	Means collectively, SEBI Act, SEBI Debt Regulations, SEBI LODR Regulations, Debenture Trustee Master Circular and Debenture Trustee Regulations, each as amended from time to time.
Transaction Documents	As set out in the section titled 'Issue Details' of this Key Information Document.
QIB	Qualified Institutional Buyer
Wilful defaulter	Shall have the same meaning as under regulation (2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Working Day(s)	Means all days on which commercial banks in Vijayawada/ Mumbai (as the context may require), are open for business;  For the purpose of this definition, in respect of- (i) Announcement of bid /issue period: working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business; (ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI, from time to time;

### 1.3 Conventional General Terms and Abbreviations

Abbreviation	Full form
Court	Supreme Court of India/ any other court/ tribunal of competent jurisdiction, as the context may require
Cr.	Crore
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification Number
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EBP	Electronic Book Provider
ECS	Electronic Clearing System
Financial Year/ Fiscal Year/ FY	Period of 12 (twelve) months commencing from 1 April of each year and ending on 31 March of the immediately next year
Ind AS	Indian Accounting Standards
Rs.	Indian Rupees
KYC	Know Your Customer
N.A.	Not Applicable
NCDs	Non-Convertible Debentures / Non-convertible bonds
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
O&M	Operation and maintenance
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India constituted under the RBI Act
RFPs	Request for Proposals
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
TDS	Tax Deducted at Source
Tribunal	National Green Tribunal
U.S.	United States of America

## 2. DISCLAIMERS

### NOTICE TO INVESTORS AND DISCLAIMERS

The Issue Document contains relevant information and disclosures required for the purpose of issuing of the Debt Securities. Any application by a person to whom the Issue Document has not been sent by the Issuer shall be rejected without assigning any reason.

The Issue described under the Issue Document has been authorised by the Issuer through a resolution of the Board of Directors dated 21.02.2025, or such other resolutions for a series/ tranche (as applicable) of Debt Securities as are annexed to this Key Information Document.

The Issue Document is neither a prospectus nor a statement in lieu of a prospectus. This Key Information Document is prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, read with applicable SEBI circulars as amended/modified/supplemented from time to time. The offering of Debt Securities, to be listed on the Debt Market (“DM”) segment of NSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. Nothing in the Issue Document shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debt Securities in general under any law for the time being in force.



The contents of the Issue Document are intended to be used only by those Identified Investors to whom the Issue Document is issued. It is not intended for distribution to any other person and should not be reproduced by the recipient. No invitation is being made to any person other than the Identified Investor to whom the Issue Document has been sent. Any application by a person to whom the Issue Document has not been sent by the Issuer shall be rejected without assigning any reason. Invitations, offers and sales of the Debt Securities shall only be made pursuant to the Issue Document. The person who is in receipt of the Issue Document shall maintain utmost confidentiality regarding the contents of the Issue Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer. All Identified Investors are required to comply with the relevant regulations and guidelines applicable to them for investing in this Issue. It is the responsibility of the Identified Investors to have obtained all consents, approvals or authorizations required by them to participate in the Issue.

The Issue Document is issued by the Issuer. The Issue Document does not purport to contain all the information that any Identified Investor may require. Further, the Issue Document has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

The Issuer confirms that the information contained in the Issue Document is true and correct in all material respects and is not misleading in any material respect to the best of its understanding. All information considered adequate and relevant about the Issue and the Issuer has been made available in the Issue Document for the use and perusal of the Identified Investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Issuer does not undertake to update the Issue Document to reflect subsequent events after the date of the Issue Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE ISSUER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS KEY INFORMATION DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

#### **DISCLAIMER STATEMENT FROM THE ISSUER**

The Issuer accepts no responsibility for statements made other than in the Issue Document (and any relevant pricing or other supplements), the advertisements or any other material expressly stated to be issued by or at the instance of the Issuer in connection with the issue of the Debt Securities and anyone placing reliance on any other source of information would be doing so at their own risk.

The purpose of the Issue Document is to provide general information about the Issuer and to assist recipients who are willing and eligible to invest in the Debt Securities. Neither the Issue Document nor any other information supplied in connection with the Debt Securities is intended to provide the basis of any credit or other evaluation and any recipient of the Issue Document should not consider such receipt a recommendation to purchase any Debt Securities.

Each Identified Investor contemplating purchasing any Debt Securities should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Identified Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debt Securities and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Identified Investor's particular circumstances. By subscribing to the Issue,

Identified Investors shall be deemed to have acknowledged that the Issuer does not owe them a duty of care in this respect. Accordingly, none of the Issuer's officers or employees shall be held responsible for any direct or consequential losses suffered or incurred by any recipient of the Issue Document as a result of or arising from anything expressly or implicitly contained in or referred to in the Issue Document or any information received by the recipient in connection with this Issue.

Neither the intermediaries nor their agents nor advisors associated with the issue of Debt Securities undertake to review the financial condition nor affairs of the Issuer during the duration of the arrangements contemplated by the Issue Document or have any responsibility to advise any Eligible Investor in the Debt Securities of any information coming to the attention of any other intermediary.

The Issue Document does not contain a statement purported to be made by an expert, unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the Issuer and has given his written consent to the issue of the Issue Document and has not withdrawn such consent before the delivery of a copy of the Issue Document to the Registrar (as applicable) for registration.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of these Debt Securities have been or will be made in India to investors as specified under paragraph titled "*Who Can Apply*" in the Issue Document, who have been or shall be specifically approached by the Issuer. The Issue Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debt Securities offered hereby to any person to whom it is not specifically addressed. The Debt Securities are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Andhra Pradesh. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of the city of Vijayawada/ Amaravati and Mumbai.

#### **DISCLAIMER OF THE RBI**

The Debt Securities have not been recommended or approved by RBI nor does RBI guarantee the accuracy or adequacy of this Issue Document. It is to be distinctly understood that this Issue Document should not, in any way, be deemed or construed that the Debt Securities have been recommended for investment by RBI. Further, RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debt Securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in the Issue Document. Potential Investors may make investment decisions in respect of the Debt Securities offered in terms of this Issue Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

#### **DISCLAIMER OF THE CREDIT RATING AGENCIES**

##### **India Rating and Research Private Limited**

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

##### **Acuite Rating & Research Limited**

An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable

care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**STOCK EXCHANGE DISCLAIMER CLAUSE:**

AS REQUIRED, A COPY OF THIS KEY INFORMATION DOCUMENT HAS BEEN FILED WITH THE STOCK EXCHANGE PURSUANT TO THE SEBI DEBT REGULATIONS. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS KEY INFORMATION DOCUMENT WITH THE STOCK EXCHANGE SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE STOCK EXCHANGE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE STOCK EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE STOCK EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

**DISCLAIMER IN RESPECT OF THE ARRANGER CUM TRANSACTION ADVISOR**

The role of the Arranger cum transaction advisor is confined to marketing and placement of the Debentures on the basis of this Key Information Memorandum as prepared by the Issuer. The Arranger has neither scrutinized nor vetted nor reviewed nor has it done any due diligence for verification of the contents of this Key Information Memorandum. The Arranger shall use this Key Information Memorandum for the purpose of soliciting subscription(s) from Eligible Investors in the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the aforesaid use of this Key Information Memorandum by the Arranger should not in any way be deemed or construed to mean that the Key Information Memorandum has been prepared, cleared, approved, reviewed or vetted by the Arranger; nor should the contents to this Key Information Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Arranger including as to the correctness or completeness thereof.

The Issuer has prepared this Key Information Memorandum and the Issuer is solely responsible and liable for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental, corporate and other necessary approvals for the issuance of the Debentures. The Issuer confirms that all the information contained in this Key Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or their affiliates for the accuracy, completeness, reliability, correctness or fairness of this Key Information Memorandum or any of the information or opinions contained therein. The Arranger hereby expressly disclaims any responsibility or liability to the fullest extent for the contents of this Key Information Memorandum, whether arising in tort or contract or otherwise, relating to or resulting from this Key Information Memorandum or any information or errors contained therein or any omissions there from. Neither the Arranger nor its affiliates, nor their respective directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. By accepting this Key Information Memorandum, the Eligible Investor accepts the terms of this Arranger's Disclaimer

which forms an integral part of this Key Information Memorandum and confirms that the Arranger will not have any liability.

Each person receiving this Key Information Memorandum acknowledges that such person has not relied on the Arranger and/or its affiliates that may be associated with the Debentures in connection with either its assessment of the information (including accuracy), or its investment decision. The Arranger, after the date of this Key Information Memorandum, has no obligation to update any information or opinion, or notify any person of any information coming to its attention.

The Issuer hereby declares that the Issuer has exercised due-diligence to ensure complete compliance of applicable disclosure norms in this Key Information Memorandum. The Arranger (a) is not acting as trustee or fiduciary for the investors or any other person; and (b) is under no obligation to conduct any “know your customer” or other procedures in relation to any person. The Arranger is not responsible for: (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Issuer or any other person in or in connection with this Key Information Memorandum or the Debentures; or (b) the legality, validity, effectiveness, adequacy or enforceability of this Key Information Memorandum or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Key Information Memorandum or the Debentures; or (c) any determination as to whether any information provided or to be provided to any investor by the Issuer is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

The Arranger cum transaction advisor and any affiliate and any of their respective directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document. By accepting this Key Information Memorandum, the investor(s) confirm that the Arranger will not have any such liability.

### **ISSUE OF DEBT SECURITIES IN DEMATERIALIZED FORM**

The Debt Securities will be issued only in dematerialized form. The Issuer has made arrangements with the Depositories for the issue of the Debt Securities in dematerialized form. Identified Investors will have to hold the Debt Securities in dematerialized form as per the provisions of Depositories Act. The DP's name, DP ID and beneficiary account number must be mentioned at the appropriate place in the application form. The Issuer shall take necessary steps to credit the Debt Securities allotted to the depository account of the investor. The Issuer shall ensure the Debt Securities are credited to the demat accounts of the Debenture Holders within 1 (one) Trading Day from the Deemed Date of Allotment.

### **3. CONSENTS**

- (a) Consent letter from Beacon Trusteeship Limited dated 11.03.2025 for acting as a debenture trustee for and on behalf of the Debenture holders. (annexed hereto as Annexure G)
- (b) Consent letter from MUFG Intime India Private Limited dated 08.04.2025 for acting as Registrars and Transfer Agents to the Issue. (annexed hereto as Annexure H)

### **4. FORWARD-LOOKING STATEMENTS**

Certain statements contained in the Issue Document that are not statements of historical fact constitute “forward-looking statements”. Applicants can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “seek to”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Issuer are also forward-looking statements and accordingly, should be read together with such assumptions and notes thereto. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding Issuer's expected financial conditions, results of operations and cash flows, business plans are forward-looking statements. These forward-looking statements include statements as to Issuer's business strategy, planned projects, revenue and profitability (including, without limitation,

any financial or operating projections or forecasts), new business and other matters discussed in the Issue Document that are not historical facts.

Actual results may differ materially from those suggested by the forward-looking statements or financial projections due to certain known or unknown risks or uncertainties associated with the Issuer's expectations with respect to, but not limited to, actual future gains, losses or impact on net interest income and net income. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of the Issuer to differ materially include, but are not limited to, those discussed in the sections entitled "Risk Factors" in this Key Information Document.

Forward-looking statements and financial projections reflect current views as of the date of the Issue Document and are not a guarantee of future performance or returns to Eligible Investors. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. Although the Issuer believes that the expectations and the assumptions upon which such forward-looking statements are based, are reasonable at this time, it cannot assure applicants that such expectations will prove to be correct or accurate. In any event, these statements speak only as of the date of the Issue Document, or the respective dates indicated in the Issue Document, or any of their affiliates or advisors, undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise after the date of the Issue Document. If any of these risks and uncertainties materialize, or if any of the Issuer's underlying assumptions prove to be incorrect, the actual results of operations or financial condition or cash flow of the Issuer could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements are expressly qualified in their entirety by reference to these cautionary statements.

## **5. LIMITS ON DISTRIBUTION**

The Issue Document and any other information supplied in connection with the Issue Document are not for distribution (directly or indirectly) in any jurisdiction other than India unless the Issuer has intentionally delivered the Issue Document and any other information supplied in connection with the Issue Document in such jurisdiction and even then, only for the limited purpose intended by the Issuer. They are not an offer for sale of Debt Securities, nor a solicitation to purchase or subscribe for Debt Securities, in any jurisdiction where such offer, sale or solicitation would be unlawful. The Debt Securities have not been and will not be registered under the laws of any jurisdiction (other than India; to the extent mandatory under Applicable Laws in India). The distribution of the Issue Document in certain jurisdictions may be prohibited by law. Recipients are required to observe such restrictions and neither the Issuer accept any liability to any person in relation to the distribution of information in any jurisdiction.

## **6. RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations in relation to the Debt Securities. These risks may include, among others, business aspects, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Eligible Investors should carefully consider all the information in the Issue Document, including the risks and uncertainties described below, before making an investment in the Debt Securities. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

The following are the risks envisaged by the management of the Issuer relating to Debt Securities and the market in general. Eligible Investors should carefully consider all the risk factors in this Key Information Document for evaluating the Issuer and its business and the Debt Securities before making any investment decision in relation to the Debt Securities. The Issuer believes that the risks described below represent the principal risks inherent in investing in the Debt Securities and in the Issuer, but does not represent that the statements below regarding the risks of holding the Debt Securities are exhaustive. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Eligible Investors should also read the



detailed information set out elsewhere in this Key Information Document and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occur, the Issuer's business, financial conditions and operations could suffer and, therefore, the value of the Debt Securities could decline and/or the Issuer's ability to meet its obligations in respect of the Debt Securities could be adversely affected. More than one risk factor may have simultaneous effect with regard to the Debt Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debt Securities and/or the Issuer's ability to meet its obligations in respect of the Debt Securities. Eligible Investors should perform their own independent investigation of the financial condition and affairs of the Issuer and their own appraisal of the creditworthiness of the Issuer. Eligible Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations with respect to the Debt Securities. Eligible Investors should thereafter reach their own views prior to making any investment decision.

These risks and uncertainties are not the only issues that the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debt Securities, but the inability of the Issuer, as the case may be, to pay principal or other amounts on or in connection with any Debt Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding /any Debt Securities are exhaustive.

Please note that unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned.

#### **RISKS RELATING TO THE ISSUER:**

1. **Our Company is / may involved in certain legal / regulatory / tax proceedings and any adverse outcome in these or other proceedings may adversely affect our future financial performance, business and our operations.**

Our Company is / may be involved, from time to time, in certain legal / regulatory / tax proceedings that are incidental to our business operations and / or in respect of the proposed issuance of the Bonds. A PIL has been filed in the High Court of Andhra Pradesh at Amaravati against certain actions of the State Government in respect of the Bonds.

The tax proceedings are pending at different levels of adjudication before various authorities, tribunals and appellate tribunals. A summary of outstanding legal proceedings involving our Company as on the date is set forth in the section titled "*Issue Information*" in this Key Information Document.

There can be no assurance that these proceedings will be determined in favour of our Company and that it will not be required to pay any amounts thereunder. Further, there could be a material and adverse impact on our reputation, business and results of operations in case of any adverse judgment under such proceedings.

2. **Risk Relating to new mining projects being undertaken by the Company**

The Company has been granted quarry leasehold rights and mining rights in respect of minor minerals, which have been provided as security for the Bonds. The operationalisation of such mines will require the Company to obtain certain approvals and execution of lease deed(s), which can take some time. Further, the Company has estimated that such mines will contain minerals of a particular value, which may differ positively or negatively from the actual extraction and may affect the financial performance of the Company. Further, in case any of such mines cannot be made operational for any reason, the State

Government of Andhra Pradesh has assured to undertake all required steps and do all such acts as may be required to replace such non-operational mines, however, such replacement and its operationalisation may take time which can affect the performance of the Company.

### 3. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under:

Particulars	2023-24	2022-23
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2023-24	2022-23
Ageing	<12 Months	<12 Months
Gross carrying amount	74,564	37,477
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	74,564	37,477

### 4. Management of Market Risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimizing returns. The Company exposure to, and the management of these risks is explained below:

#### i. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2023-24	2022-23
Selling price increase by 5%		
Barytes & Coal	17,627	9,915
Survey Stones	1,377	409
Selling price decrease by 5%		
Barytes & Coal	(17,627)	(9,915)
Survey Stones	(1,377)	(409)

## b. Excavation &amp; Transport Charges risk

Particulars	Impact on profit			
	2023-24		2022-23	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense: Excavation & transport charges for run of mine	(306)	306	(327)	327
Excavation & transport charges for overburden	(1,870)	1,870	(1,883)	1,883
Excavation of Coal & OB Removal	(3,319)	3,319	(1,603)	1,603

## 5. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities:				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
Total	120,186	120,186	58,081	62,105

## RISKS RELATING TO THE ISSUE

## 1. RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES. FURTHER, ANY RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

Security may be insufficient to redeem the Debt Securities

In the event that the Issuer is unable to meet its payment and other obligations towards Investors under the terms of the Debt Securities, the Debt Securities Trustee may enforce the Security as per the terms of security documents, and other related documents executed in relation to the Debt Securities, subject to Applicable Law and in accordance with the applicable guidelines or regulations, if any. The Debt Securities Holder(s)' recovery in relation to the Debt Securities will be subject to (i) the market value of such Security (ii) finding willing buyers for the Security at a price sufficient to repay the Debt Securities Holder(s)' amounts outstanding under the Debt Securities. There is a risk that the value realised from the enforcement of the Security may be insufficient to redeem the Debt Securities.

**2. REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS AND CURRENT FINANCIAL YEAR BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD:**

The proposed issuance of the Bonds is the first listed issuance of the Company and thus this risk is not applicable

**3. LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:**

There can be no assurance that an active market for the Bonds will develop. The market for the present issuance of the Bonds may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Bonds, it may not provide significant liquidity. Potential investors may be required to hold the Bonds until redemption to realize any value.

**4. IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE**

The proceeds from the present issue of Bonds are proposed to be inter-alia utilised for the prepayment and foreclosure of the Company's existing fund-based borrowing. Other than this borrowing, which is being repaid in full, the Company has no other fund-based outstanding borrowing as of the date of this Key Information Document. According, this risk shall not be applicable to the Company.

**RISKS IN RELATION TO THE DEBT SECURITIES**

**1. WHILE THE DEBENTURES ARE SECURED AGAINST A CHARGE TO THE TUNE OF 100% OF THE PRINCIPAL AND INTEREST AMOUNT IN FAVOUR OF DEBENTURE TRUSTEE, AND IT IS THE DUTY OF THE DEBENTURE TRUSTEE TO MONITOR THAT THE SECURITY IS MAINTAINED, HOWEVER, THE POSSIBILITY OF RECOVERY OF 100% OF THE AMOUNT SHALL DEPEND ON THE MARKET SCENARIO PREVALENT AT THE TIME OF ENFORCEMENT OF THE SECURITY**

The Bonds to be issued pursuant to the Issue will be secured by creating a charge over certain assets of our Company, created in favour of the Debenture Trustee, to the extent of 100% of the amount outstanding towards principal and interest payable on Bonds. In the event that our Company is unable to meet its payment and other obligations towards investors under the terms of the Bonds, the Debenture Trustee may enforce the Security in respect of the Bonds as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Bonds will be subject to (i) the market value of the security, (ii) finding willing buyers for the security at a price sufficient to repay the amount payable to Debenture Holder(s)' under the Bonds. The value realized from the enforcement of the transaction security may be insufficient to redeem the Bonds. There may be fluctuations in the market values of the assets over which security has been provided by our Company, which could affect our Company's liquidity and reduce our Company's ability to enforce the security in terms of Security Documents, and consequently affect our Company's result of operations and financial condition. Our Company may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and our Company's assessments, assumptions or estimates may prove inaccurate.

**2. ALL COVENANTS INCLUDING THE ACCELERATED PAYMENT COVENANTS GIVEN BY WAY OF SIDE LETTERS SHALL BE INCORPORATED IN THE ISSUE DOCUMENT BY THE ISSUER**

Our Company has no side letter with any debt securities holder. Details of applicable covenants have been annexed as Annexure L of this Key Information Document.

**3. THERE MAY BE ONLY A LIMITED TRADING IN THE DEBT SECURITIES AND THE PRICE OF THE DEBT SECURITIES MAY BE VOLATILE SUBJECT TO FLUCTUATIONS.**

There is no assurance that an active market for these Debt Securities will develop or be sustained. There is no assurance as to the liquidity of any trading market. Although an application will be made to list the NCDs on the NSE, there can be no assurance that an active market for the Debt Securities will develop and if such a market were to develop, there is no obligation on us to maintain such a market. Further, the liquidity and price of the Debt Securities may vary with changes in market and economic conditions, our financial condition and other factors that may be beyond our control.

**2. THERE IS NO GUARANTEE THAT THE DEBT SECURITIES WILL BE LISTED ON THE STOCK EXCHANGE(S) IN A TIMELY MANNER OR AT ALL.**

In accordance with Indian law and practice, approval for listing and trading of the Debt Securities will not be granted until after the Debt Securities have been allotted. While we will make our best efforts to ensure that all steps for completion of the necessary formalities for allotment, listing and commencement of trading on the Stock Exchange(s) are taken within the time prescribed by SEBI or Applicable Law, there may be a failure or delay in listing the Debt Securities on the Stock Exchange(s).

**3. ELIGIBLE INVESTORS MAY NOT BE ABLE TO RECOVER, ON A TIMELY BASIS OR AT ALL, THE FULL VALUE OF OUTSTANDING AMOUNTS ON THE DEBT SECURITIES.**

Issuer's ability to pay interest accrued and the principal amount outstanding in connection with the Debt Securities is subject to various factors, including the Issuer's financial condition, profitability and the general economic conditions in India and in the global financial markets. Further, the Debt Securities may decline in value and marketability and Investors should note that, whatever their investment in the Debt Securities, the cash amount due at the respective maturity dates will be equivalent to the face value of the Debt Securities. More than one risk factor may have simultaneous effect with regard to the Debt Securities such that the effect of a particular risk factor may not be predictable.

**4. A DOWNGRADE IN CREDIT RATING OF THE DEBT SECURITIES MAY AFFECT THE PRICE OF THE DEBT SECURITIES.**

The Debt Securities shall be rated by the rating agencies as mentioned in the relevant Key Information Document. We cannot guarantee that rating will not be downgraded, suspended or withdrawn at any time during the tenor of the Debt Securities. Any downgrade, suspension or withdrawal in the credit rating on the Debt Securities may lower the price of the Debt Securities.

**5. CREDIT RATING MAY NOT REFLECT ALL RISKS.**

The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Debt Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

**6. THE NCDS MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS.**

Investment in non-convertible debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

**7. SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

The Debt Securities may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debt Securities, it is not likely to provide significant liquidity. An illiquid market may have an adverse impact on the price at which the Debt Securities may be sold in the secondary market. Any such Debt Securities so purchased may be required to be held or resold or



surrendered for cancellation. To the extent that an issue of Debt Securities becomes illiquid, an Investor may have to hold the Debt Securities until redemption to realize value.

## **8. TAXATION**

Potential purchasers and sellers of the securities should be aware that they may be required to pay taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the securities will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

## **9. DELAYS IN COURT PROCEEDINGS IN INDIA**

If any dispute arises between the Issuer and any other party, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

## **10. EXERCISE OF POWERS BY THE DEBENTURE TRUSTEE IS SUBJECT TO EQUITABLE PRINCIPLES AND SUPERVISORY POWERS OF COURTS.**

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and the Debenture Documents or otherwise vested in it by law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations, or orders.

## **11. THE RIGHT OF THE DEBENTURE HOLDERS TO RECEIVE PAYMENTS UNDER THE DEBENTURES WILL BE JUNIOR TO CERTAIN TAX AND OTHER LIABILITIES PREFERRED BY LAW ON AN INSOLVENCY OF THE ISSUER.**

The Debentures will be subordinated to certain liabilities preferred by law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business (including workmen's dues). Upon an order for winding-up in India, the assets of a company are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

Every business carries inherent risks and uncertainties that can affect financial conditions, results of operations and prospects. Investors should carefully consider all the information in this Key Information Document, including the risks and uncertainties described below, as well as the financial statements contained in this Key Information Document, before making an investment in the securities. The Company believes that the following risk factors may affect its ability to fulfil its obligations under the securities issued under the Key Information Document. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. You should not invest in the securities unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your own tax, financial and legal advisors about the particular consequences of an investment in the securities. Unless otherwise stated, our financial information used in this section is derived from our audited standalone and consolidated financial information, prepared in accordance with accounting standards generally accepted in India.

## 12. ENFORCEMENT OF SECURITY

Security has been created by way of a hypothecation coupled with an unconditional and irrevocable power of attorney. At the time of enforcement, any transfer of the quarries will require the approval of the Director of Mines and Geology, Andhra Pradesh / Deputy Director of Mines and Geology in charge of the region.

## GENERAL RISK

Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, investors must rely on their examination of the Issuer and the Issue including the risks involved in it. These risks are not and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. The Issue has not been recommended or approved by any regulatory authority in India, including SEBI or RBI nor does SEBI or RBI guarantee the accuracy or adequacy of this Key Information Document.

Except as stated herein, the Issuer confirms and declares that it is in compliance with the provisions of Companies Act, 2013, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, and nothing in the Issuer Document is contrary to the provisions of the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder.

## 7. ISSUE INFORMATION

### 7.1 DETAILS OF CREDIT RATING, ALONG WITH THE LATEST PRESS RELEASE OF THE CREDIT RATING AGENCY IN RELATION TO THE ISSUE, AND A DECLARATION THAT THE RATING IS VALID AS ON THE DATE OF ISSUANCE AND LISTING. SUCH PRESS RELEASE SHALL NOT BE OLDER THAN ONE YEAR FROM THE DATE OF OPENING OF THE ISSUE.

The Debentures have been assigned a rating of (a) Provisional IND AA(CE)/Stable by India Ratings and Research Private Limited pursuant to its letter dated April 16, 2025 ;(b) Provisional | ACUITE AA | CE | Stable by Acuite Rating and Research Private Limited pursuant to its letter dated May 06,2025. We hereby confirm that the ratings are valid as on the date of the issuance and listing of the Bonds. The press release issued by the Credit Rating Agencies are annexed to this Key Information Document as Annexure I.

### 7.2 NAMES OF THE STOCK EXCHANGE(S) WHERE THE NON-CONVERTIBLE SECURITIES ARE PROPOSED TO BE LISTED AND THE DETAILS OF IN-PRINCIPLE APPROVAL FOR LISTING OBTAINED FROM THESE STOCK EXCHANGE(S)

The Debentures are proposed to be listed on the wholesale debt market of NSE. The Issuer has received in-principle approval for listing from NSE vide their letter dated April 23, 2025, bearing reference no. NSE/LIST/8997 Please refer to **Annexure A** for a copy of the in-principle approval from NSE.

### 7.3 IF NON-CONVERTIBLE SECURITIES ARE PROPOSED TO BE LISTED ON MORE THAN ONE STOCK EXCHANGE(S) THEN THE ISSUER SHALL SPECIFY THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE. THE ISSUER SHALL SPECIFY THE STOCK EXCHANGE WHERE THE RECOVERY EXPENSE FUND IS BEING OR HAS BEEN CREATED, AS SPECIFIED BY THE BOARD.



Not Applicable

**7.4 ISSUE SCHEDULE:**

Issue Opening Date	08.05.2025
Issue Closing Date	08.05.2025
Pay-in Date	09.05.2025
Deemed Date of Allotment	09.05.2025

**7.5 NAME, LOGO, ADDRESSES, WEBSITE URL, EMAIL ADDRESS, TELEPHONE NUMBER AND CONTACT PERSON OF:**

S. No	Particulars	Details
1.	<b>Debenture Trustee to the Issue</b> 	Name: Beacon Trusteeship Limited Address: Beacon Trusteeship Limited 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra(East), Mumbai, Maharashtra, India, 400051 E-mail: <a href="mailto:compliance@beacontrustee.co.in">compliance@beacontrustee.co.in</a> Website: <a href="http://beacontrustee.co.in/">http://beacontrustee.co.in/</a> Telephone Number: 022-46060278 Contact Person: Kaustubh Kulkarni
2.	<b>Credit Rating Agencies for the Issue</b> 	Name: India Ratings and Research Limited Address: Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Website: <a href="https://www.indiaratings.co.in/">https://www.indiaratings.co.in/</a> Telephone Number. : 91-2240001700 E-mail: <a href="mailto:infogrp@indiaratings.co.in">infogrp@indiaratings.co.in</a> Contact Person: Anuradha Basumatari
3.	<b>Credit Rating Agencies for the Issue</b> 	Name: Acuite Rating & Research Limited Address: 708, Lodha Supremus, Lodha iThink Techno Campus, Kanjurmarg (East), Mumbai 400 042 Tel.: +912249294000 E-mail: <a href="mailto:info@acuite.in">info@acuite.in</a> Website: <a href="http://www.acuite.in">www.acuite.in</a> Contact Person: Parth Pandit
4.	<b>Registrar to the Issue</b> 	Name: MUFG Intime India Private Limited ( <i>erstwhile known as Link Intime India Private Limited</i> ) Address: C-101, 247 park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083 Email id: <a href="mailto:ganesh.jadhav@in.mpms.mufg.com">ganesh.jadhav@in.mpms.mufg.com</a> Website: <a href="http://www.in.mpms.mufg.com">www.in.mpms.mufg.com</a> Telephone Number: 9910402901 Fax number: (022) 49186060 Contact Person Name: Ganesh Jadhav
5.	<b>Statutory Auditors</b> 	Name: M/s. M.N. Rao & Associates, Chartered Accountants Address: Vaishnavi Plaza (2nd Floor), #40-6/3-9, Near V.P. Siddhartha Public School, Mogalrajapuram, Vijayawada- 520 Telephone Number: +91 866 2480201 Website: <a href="http://www.mnraoca.in">www.mnraoca.in</a> Email address: <a href="mailto:audit@mnraoca.in">audit@mnraoca.in</a> Contact Person: Mr. Santhosh Kumar
6.	<b>Legal Counsel to the Issue</b>  cyril amarchand mangaldas ahead of the curve	Name: Cyril Amarchand Mangaldas (CAMs) Address: Peninsula Chambers, Peninsula Corporate Park, GK Marg, Lower Parel, Mumbai – 400 013 Email id: <a href="mailto:cam.mumbai@cyrilshroff.com">cam.mumbai@cyrilshroff.com</a> Website: <a href="https://www.cyrilshroff.com/">https://www.cyrilshroff.com/</a> Telephone Number: +91 22 66604455

S. No	Particulars	Details
7.	<b>Arranger cum transaction advisor to the Issue</b> 	Trust Investment Advisors Private Limited Address: 109/110, 1st Floor, Balarama Premises, Bandra Kurla Complex, Bandra East, Mumbai- 400051 Telephone number: 022-4084 5000 Website: <a href="https://trustgroup.in">https://trustgroup.in</a> Email: <a href="mailto:a.sen@trustgroup.in">a.sen@trustgroup.in</a> Contact Person: Anindya Sen
8.	<b>Guarantor</b> 	Name – State of Andhra Pradesh Address: Finance Department, 2 <sup>nd</sup> Block, First floor, A.P. Secretariat office, Velagapudi, Amravati - 522238 Website: <a href="https://www.ap.gov.in">https://www.ap.gov.in</a> Email Address: <a href="mailto:adinarayanakas@gmail.com">adinarayanakas@gmail.com</a> Telephone number: +91 9010103540 Contact Person: Shri K Adinarayana, Special Secretary to the Government of Andhra Pradesh, Finance Department.

## 7.6 ABOUT THE ISSUER

### (a) Overview and a brief summary of the business activities of the Issuer

APMDCL is the nodal company of the State of Andhra Pradesh and has been granted the rights for mining and exploration of valuable minerals both within and outside the State of Andhra Pradesh.

APMDCL, though fully equipped to carry out integrated mining operations is presently following a model where the mining operations are delegated to a selected Mine Developer and Operator (MDO) on a contractual basis after the APMDCL provides them with the mining land free of encumbrances.

At present the Company is active in mining Barytes Mineral, along with minor minerals such as Granite, Ball Clay etc. It has also forayed into mining of thermal coal, coking coal, Beach Sand Minerals, Iron ore giving itself a well-diversified product mix.

On Consolidated basis, the Company has achieved revenue from operations of ₹ 3840.59 crore for the financial year ended 31st March 2024 as against ₹ 2101.91 crore in previous year, registering 82.71% rise over the previous year. Consolidated Earnings before Finance Cost, Taxes, Depreciation and Amortisation (EBITDA) grew by 88.85 % to ₹ 1645.43 crore in FY 2023-24 compared to ₹ 871.3 crore in FY 2022-23. After providing for taxation of ₹ 374.38 crore, the Company registered a Net Profit of ₹ 1063.19 crore in FY 2023-24 compared to ₹ 591.26 crore in previous year.

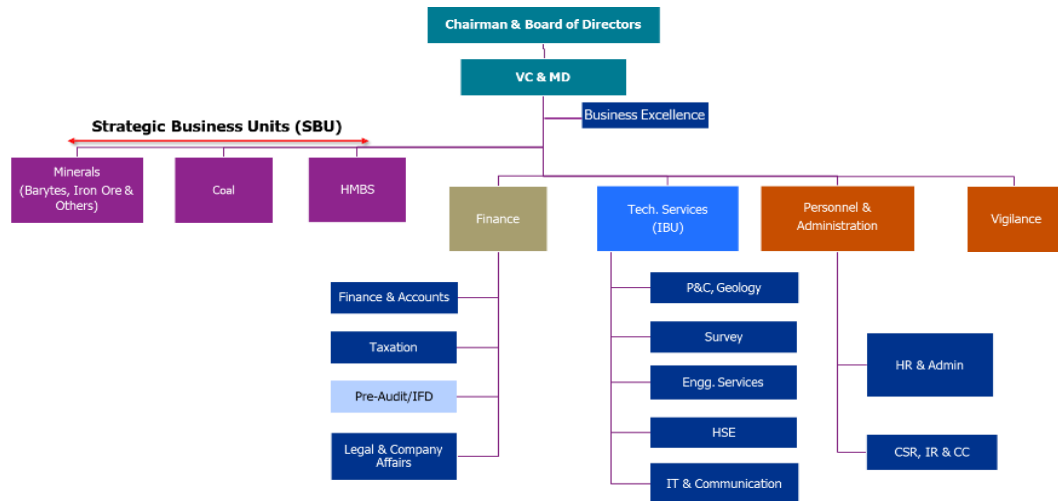
On standalone basis, significant increase in revenue, reduction in long term liabilities, and various cost initiatives taken by the Company lead to improvement in business performance and healthy operating profitability during the year under review. In terms of operating performance, Company's revenue grew by 82.71% to ₹ 3840.59 crore compared to ₹ 2101.91 crore of previous year, mainly due to increase in sales volume in Suliyari coal mine, from ~ 1.4 Mn. Ton in FY22-23 to 5.0 MN Ton in FY 23-24. Standalone EBITDA grew by 88.85% % compared to previous year which stood at ₹ 871.3 crore during the year under review. The company registered a Net Profit of ₹ 1063.19 crore for FY 2023-24 compared to ₹ 589.66 crore of previous year.

The Permanent Account Number of the Issuer is AAAC7391N.

The LEI of the Issuer is 335800S8NK5A3UC12866.

Ca teg ory	Category of shareholder	Nos. of shar ehol ders	N o. of fully paid up equi ty sh ares held	N o. of Par tially paid up equi ty sh ares held	No. of shares under lying Depo sitory Receipt s	Total nos. shares held	Shar ehol ding as a % of total no. of shares (calc ulate d as per SCR R, 1957 )	Number of Voting Rights held in each				No. of Shares Under lying Outstan ding converti ble securitie s (includ ing Warran ts)	Sharehold ing, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)		Num ber of Lock ed in share s	Number of Shares pledged or otherwise encumbered				Number of equity shares held in dematerial ised form						
								class of securities					No of Voting Rights	Total as a % of (A+B+ C)							No . (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
								C la ss e g: X	C la ss e g: y	T o t al																
								(I)	(II)	(III)	(I V)	(V )	(VI)	(VI I)= (IV )+( V)+ (VI )	(VIII )	(IX)				(X)		(XI)= (VII)+(X)	(XII)	(XIII)		(XIV)
						As a % of (A+ B+C 2)							As a % of (A+B+C2)													
(A)	Promoter & Promoter Group	4	63 ,0 62	-	-	63, 062	100 %	N A	N A	N A	N A	-	-	-	-	-	-	-	63,062							
(B)	Public																									
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
(C1 )	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
(C2 )	Shares Held By Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
	Total	4	63 ,0 62			63, 062	100 %												63,062							

## (b) Structure of the group



## (c) Details of branches or units where the issuer carries on its business activities, if any:

- APMD Head Office – Vijayawada, Andhra Pradesh
- Mangampet Project Office – Mangampet, Annamaya (D), Andhra Pradesh (Barytes)
- Suliyari Project Office – Singrauli, Madhya Pradesh (Non-coking Coal)
- Brahmadaha Project Office – Giridih, Jharkhand (Coking Coal)



- Cheemakurthy Project Office – Cheemakurthy, Prakasam, Andhra Pradesh (Black Galaxy Granite)
- Dwaraka Tirumala Project Office – West Godavari, Andhra Pradesh (Ball Clay)
- Nimmalapadu Project Office – Ananthagiri, Visakhapatnam, Andhra Pradesh (Calcite)

(d) **A brief summary of the business activities of the subsidiaries of the Issuer:**

- **Ongole Iron Ore Mining Company**
  - This was formed for development of iron ore project in Prakasam district.
  - However, the project was discontinued, and both parties have entered into exit agreement.
  - Currently, no operations are being conducted through this company.
- **Andhra Phosphate Private Limited**
  - JV formed in 1974 with M/s Andhra Phosphate for mining of Apatite (Rockphosphate) and Vermiculite in Narasimharajapuram Village in Anantagiri Mandal, Visakhapatnam District.
  - However, currently no operations since lease is not in force.
- **APMDC SCCL Suliari Coal Company**
  - This was formed for development of Suliari coal project in Madhya Pradesh, which was earlier jointly allotted to APMDC and SCCL.
  - However, the block was cancelled as part of the coal block de-allocation by the Hon'ble Supreme Court in 2014.
  - Currently, no operations are being conducted through this company.
  - Note: Post de-allocation, the Suliari coal block was granted exclusively to APMDC and is current being operated by APMDC.
- **Nuagaon Coal Company**
  - This was formed for development of Nuagon Telisahi coal project in Odisha, which was earlier jointly allotted to APMDC and Odisha Mining Corporation (OMC).
  - However, the block was cancelled as part of the coal block de-allocation by the Hon'ble Supreme Court in 2014.
  - Currently, no operations are being conducted through this company.
  - Note: Post de-allocation, the Nuagon Telisahi coal block is yet to be granted to any new allottee. Once it is allotted, APMDC will be reimbursed its share of capital expenditure incurred towards development of the block after collecting from the new allottee.

(e) **Use of proceeds (in the order of priority for which the said proceeds will be utilized):**

(i) **purpose of the placement;**

The proceeds from the issue after meeting requirements of creation of debt service reserve and meeting all the issue related expenses would be utilized for the following:

- a) for prepayment and foreclosure of entire outstanding fund-based facilities, by way of loans, that has been availed by the Company from SBI; and
- b) for payment of consideration to the State Government of Andhra Pradesh towards grant by it to the Company of quarry leasehold rights and mining rights over 436 new minor mineral mines and other corporate purposes.

(ii) **break - up of the cost of the project for which the money is being raised;**

The proceeds from the issue of Bonds are not proposed to be utilized towards project financing therefore, these details are not applicable.

(iii) **means of financing for the project;**

The proceeds from the issue of Bonds are not proposed to be utilized towards project financing therefore, these details are not applicable.

**(iv) proposed deployment status of the proceeds at each stage of the project.**

The proceeds from the issue of Bonds are not proposed to be utilized towards project financing therefore, these details are not applicable.

**7.7 Expenses of the Issue:**

Particulars	Amount (INR Crores)		
	Amount Excluding Taxes	As Percentage Of The Issue Size (In %)	As Percentage Of Total Expenses Of The Issue (In %)
Fees payable to the legal advisors	0.20	0.0057%	11.24%
Fees payable to Lead Managers	NA		
Advertising & marketing expenses	NA		
Underwriting commission	NA		
Brokerage, selling commission and upload fees	NA		
Fees payable to the Registrars to the Issue	0.14	0.0040%	7.87%
Fees payable to the regulators including Stock Exchanges	0.14	0.0040%	7.87%
Expenses incurred on printing and distribution of the issue stationary	NA		
Any Other Fees	1.30	0.0373%	73.03%

\* Exclusive of remuneration payable to long-term service providers.

**7.8 Financial Information:**

- (a) **The audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the issue document or issue opening date, as applicable.**

Please refer to **Annexure E** of this Key Information Document.

(#Comptroller and Auditor General of India (“CAG”) audit of the financial statements of the Company for the financial years FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 is yet to be completed. In view of the same and pursuant to the application made by the Issuer to SEBI, the SEBI has granted its approval to the Issuer to issue the Bonds through private placement, subject to submission of annual reports of FY 2015-16, FY 2016-17 and FY 2017-18 and financial statements along with audit reports of the statutory auditor appointed by CAG for the FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-2024, pending CAG reports thereon, along with for the stub period ended on December 31, 2024. Accordingly, the Issuer is disclosing (i) the annual reports (including CAG reviewed audited financial statements) for FY 2015-16, FY 2016-17 and FY 2017-18, and (ii) financial statements and audit reports issued thereon by the statutory auditor appointed by CAG for the FY 2018-19, FY 2019-20, FY 2021-2022, FY 2022-23, FY 2023-2024 and for the period ended December 31, 2024.)

(b) **Key Operational and Financial Parameters on consolidated and standalone basis:****Standalone Basis:**

(INR in Crores)

<b>Balance Sheet</b>	<b>For the stub period ended December 31, 2024</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Particulars				
Property, Plant and Equipment (including Capital Work in Progress and Investment Property)	65.54	78.99	91.87	68.73
Intangible Assets (including Intangible Assets under Development)	1973.50	2043.12	1633.03	1483.62
Financial Assets (Current and Non-Current)	2199.79	2088.58	2763.34	1986.36
Other Non-Current assets	500.18	436.76	629.62	420.79
Current assets	2755.51	2515.21	2114.84	1223.91
<b>Total Assets</b>	<b>5414.85</b>	<b>5149.56</b>	<b>5472.56</b>	<b>4228.74</b>
<b>Financial Liabilities (Current and Non- Current) –</b>	<b>1048.54</b>	<b>1202.17</b>	<b>1527.87</b>	<b>1341.45</b>
-Borrowings	586.45	714.72	598.35	505.52
- Other Financial Liabilities	275.65	291.44	743.71	722.69
Non-Current Liabilities	789.65	844.75	958.49	885.22
Current Liabilities	1104.55	1304.77	1276.37	703.01
Provisions	100.93	94.53	100.12	91.37
<b>Total Liabilities</b>	<b>1894.20</b>	<b>2149.52</b>	<b>2234.86</b>	<b>1588.23</b>
Equity (Equity Share Capital and Other Equity)	3520.64	3000.04	3237.70	2640.51
<b>Total Equity and Liabilities</b>	<b>5414.85</b>	<b>5149.56</b>	<b>5472.56</b>	<b>4228.74</b>

(INR in Crores)

<b>Profit and Loss</b>	<b>For Stub Period ended December 31, 2024</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Total revenue from operations	2205.62	3840.59	2101.91	1155.34
Other Income	137.44	128.90	99.30	46.27
<b>Total Income</b>	<b>2343.06</b>	<b>3969.49</b>	<b>2201.21</b>	<b>1201.61</b>
<b>Total Expenses</b>	<b>1,643.40</b>	<b>2533.93</b>	<b>1384.86</b>	<b>792.03</b>
Profit/ loss for the period /Year	520.91	1061.19	597.82	297.72
Other Comprehensive Income	-0.31	-0.15	-3.24	-1.4
Total Comprehensive Income	520.60	1061.04	594.59	296.32
Earnings per equity share: (in Rs.)				
(a) basic; and	82601.8	168276.58	94799.44	47211.87
(b) diluted	82601.8	168276.58	94799.44	47211.87

(INR in Crores)				
Cash Flow	For the Stub Period ended on December 31, 2024	2023-24	2022-23	2021-22
Net cash (used in)/ generated from operating activities (A)	228.54	1665.36	661.31	451.53
Net cash (used in)/ generated from investing activities (B)	75.15	-521.17	-421.44	-925.81
Net cash (used in)/ generated from financing activities (C)	-177.38	-1253.92	21.51	488.31
<b>Net Increase/ (decrease) in Cash and Cash Equivalents</b>	<b>126.31</b>	<b>-109.72</b>	<b>261.38</b>	<b>14.04</b>
Opening Balance of Cash and Cash Equivalents	288.99	398.71	137.34	123.30
<b>Cash and cash equivalents at end of the period/ Year</b>	<b>415.30</b>	<b>288.99</b>	<b>398.72</b>	<b>137.34</b>

**Consolidated Basis:**

(INR in Crores)				
Balance Sheet	For the Stub Period ended December 31, 2024	2023-24	2022-23	2021-22
Property, Plant and Equipment (including Capital Work in Progress and Investment Property)	65.54	78.99	91.87	68.73
Intangible Assets (including Intangible Assets under Development)	1973.5	2043.12	1633.03	1483.62
Financial Assets (Current and Non-Current)	2209.84	2097.71	2770.32	1992.24
Other Non-Current assets	500.18	436.76	629.62	420.79
Current assets	2755.51	2515.21	2114.84	1223.90
<b>Total Assets</b>	<b>5424.89</b>	<b>5158.7</b>	<b>5479.54</b>	<b>4234.61</b>
Financial Liabilities (Current and Non- Current)	<b>947.61</b>	<b>1201.87</b>	<b>1527.87</b>	<b>1341.45</b>
- Borrowings	586.45	714.72	598.35	505.52
- Other Financial Liabilities	275.65	291.44	743.71	722.69
Non-Current Liabilities	789.65	844.75	958.49	885.22
Current Liabilities	1104.55	1304.77	1276.37	703.01
Provisions	100.93	94.53	100.12	91.37
<b>Total Liabilities</b>	<b>1894.20</b>	<b>2149.52</b>	<b>2234.86</b>	<b>1588.23</b>
Equity (Equity Share Capital and Other Equity)	3530.68	3009.17	3244.68	2646.39
<b>Total Equity and Liabilities</b>	<b>5424.89</b>	<b>5158.7</b>	<b>5479.54</b>	<b>4234.61</b>

(INR in Crores)

Profit and Loss	For the Stub Period ended December 31, 2024	2023-24	2022-23	2021-22
Total revenue from operations	2205.62	3840.59	2101.91	1155.34
Other Income	135.24	127.25	98.20	46.27
<b>Total Income</b>	<b>2340.86</b>	<b>3967.84</b>	<b>2200.11</b>	<b>1201.61</b>
<b>Total Expenses</b>	<b>1643.40</b>	<b>2533.93</b>	<b>1384.86</b>	<b>792.03</b>
<b>Profit/ loss for the period/Year</b>	<b>521.83</b>	<b>1063.31</b>	<b>598.91</b>	<b>300.51</b>
Other Comprehensive income	-0.31	-0.12	-3.22	-1.42
<b>Total Comprehensive Income</b>	<b>521.51</b>	<b>1063.19</b>	<b>595.69</b>	<b>299.09</b>
Earnings per equity share: (in Rs.)				
(a) basic; and	82749.37	168613.73	94971.37	47653.81
(b) diluted	82749.37	168613.73	94971.37	47653.81

(INR in Crores)

Cash Flow	For the Stub Period ended December 31, 2024	2023-24	2022-23	2021-22
Net cash (used in)/ generated from operating activities (A)	230.74	1921.53	707.06	451.53
Net cash (used in)/ generated from investing activities (B)	72.95	-521.17	-421.44	-925.81
Net cash (used in)/ generated from financing activities (C)	-177.38	-1253.92	21.51	488.31
<b>Net Increase/ (decrease) in Cash and Cash Equivalents</b>	<b>126.31</b>	<b>-109.72</b>	<b>261.38</b>	<b>14.04</b>
Opening Balance of Cash and Cash Equivalents	288.99	398.71	137.34	123.3
<b>Cash and cash equivalents at end of the period/Year</b>	<b>415.30</b>	<b>288.99</b>	<b>398.72</b>	<b>137.34</b>

Additional Key Information:

Standalone

(INR in Crores)

Ratios	For the Stub Period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Net worth	3520.64	3000	3237.7	2640.5
Cash and Cash Equivalents	415.3	288.99	398.71	137.34
Net Sales	2343.06	3969.49	2201.21	1201.61
EBITDA	910.64	1723.86	937	432.62
EBIT	754.22	1512.34	901.84	426.96
Debt equity ratio	0.17	0.24	0.18	0.19
Debt Service Coverage Ratios	7.337	10.36	6.15	17.59
Interest Service Coverage Ratios	13.82	19.70	10.55	24.57
Current ratio	2.49	1.99	1.66	1.74
Long term debt to working capital	0.29	0.46	0.58	0.87
Current liability ratio-(in times)	1.4	0.79	1.31	1.54
Total Debts to Total assets	0.11	0.14		0.12



Consolidated

(INR in Crores)

Ratios	For the Stub Period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Net worth	3530.68	3009.17	3244.7	2646.39
Cash and Cash Equivalents	415.3	288.99	404.26	137.34
Net Sales	2340.86	3967.84	2208.95	1201.61
EBITDA	908.44	1722.21	935.9	432.62
EBIT	752.02	1510.69	900.74	426.96
Debt equity ratio	0.17	0.24	0.18	0.19
Debt Service Coverage Ratios	7.34	10.38	6.15	17.59
Interest Service Coverage Ratios	13.78	19.68	10.53	24.57
Current ratio	2.49	1.93	1.66	1.74
Long term debt to working capital	0.29	0.46	0.58	0.87
Current liability ratio-(in times)	1.4	0.79	1.31	1.54
Total Debts to Total assets	0.11	0.14	0.11	0.12

(##The key operational and financial parameters have been derived from the financial statements for the FY 2021-22, FY 2022-23, FY 2023-24 and for the stub period ended on December 31, 2024, which have been the statutory auditor appointed by the Comptroller and Auditor General of India ("CAG") but are yet to be audited by the CAG.)

(c) **Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability:**

Mentioned in Note 37 of Consolidated Financial Statement & Standalone Financial Statements for the year ended on FY24 and for the sub period ended December 31, 2024, as provided in **Annexure E**.

(d) **The amount of corporate guarantee or letter of comfort issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued**

N.A.

## 7.9 Brief History of the Issuer since its incorporation

The Andhra Pradesh Mineral Development Corporation Limited (APMDC) is a private limited company incorporated under the Companies Act, 1956, having its registered office at Hyderabad. The Company was incorporated on 24.02.1961, as a private limited company under the provisions of the Companies Act, 1956 in the name of "The Andhra Pradesh Mining Corporation Limited". APMDC is a state-owned corporation headquartered in Vijayawada, dedicated to the exploration and development of mineral resources in India. The Company is primarily engaged in the business of mineral exploration, mining, processing, marketing, and beneficiation. The Company is in the process of converting itself from a private limited company to a public limited company after obtaining all the required approvals and permissions.

APMDC Limited is managed by Board of Directors. The Board of Directors consists of 4 Directors with 1 Executive Director. Out of the 4 Directors, 3 are non-executive Directors.

1. Details of Share Capital as at last quarter end – Refer to GID dated April 22, 2025
2. Changes in its capital structure as at last quarter end, for the preceding three financial years and current financial year - Refer to GID dated April 22, 2025

3. Details of the equity share capital for the preceding three financial years and current financial year - Refer to GID dated April 22, 2025
4. Details of the shareholding of the company as at the latest quarter end, as per the format specified under the listing regulations - Refer to GID dated April 22, 2025
5. List of top ten holders of equity shares of the company as at the latest quarter end - Refer to GID dated April 22, 2025
6. **Details of any acquisition of or amalgamation with any entity in the preceding one year:**  
NIL
7. **Details of any reorganization or reconstruction in the preceding one year:**  
NIL

#### 7.10 Details regarding the directors of the Issuer

(a) **Details of current directors of the Issuer as on the date of this Key Information Document**

The following table sets forth the details of the directors of the Issuer as on the date of this Key Information Document:

Sr. No	Name, designation, Occupation and DIN	Age	Address	Director of the Issuer since	Details of other directorship
1.	Rama Subbaiah Gandla, Nominee Director, Public Servant 10915409	59 Yrs	Deputy Secretary to GoAP, I&C Department (Mines), Block – II, AP Secretariat, Velagapudi.	17.01.2025	1. M/s. APMDC Limited
2.	J.Nivas, Nominee Director, Public Servant 07664988	43 Yrs	Additional Secretary to GoAP, Finance Department, Block – II, AP Secretariat, Velagapudi.	17.01.2025	1. M/s. Andhra Pradesh State Financial Services Corporation Limited 2. M/s. Vijayawada Urban Infrastructure Development Corporation Limited 3. M/s. Andhra Pradesh Economicities Promotion and Development Corporation Limited 4. Andhra Pradesh Medical Education and Research Corporation Limited
3.	R.P.Sisodia, Nominee Director, Public Servant 07621010	57 Yrs	Principal Secretary to GoAP, Revenue Department, Block – IV, AP Secretariat, Velagapudi.	17.01.2025	1. M/s. Andhra Pradesh State Skill Development Corporation
4.	Pravin Kumar, Managing Director, Public Servant 07106418	45 Yrs	#294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanuru (V), Penamaluru (M),	24.06.2024	1. M/s. The Andhra Pradesh Mineral Development Corporation Limited 2. M/S. Andhra Pradesh Industrial Water Supply Corporation Limited 3. M/s. Kadapa Steel Corporation Limited

Sr. No	Name, designation, Occupation and DIN	Age	Address	Director of the Issuer since	Details of other directorship
			Vijayawada - 521137, AP		4.M/s. AP Bulk Drug Infrastructure Corporation Limited 5. M/s. YSR Steel Corporation Limited 6. M/s. Andhra Pradesh Maritime Infrastructure Development Corporation Limited 7. M/s. Visakhapatnam Urban Transport Company Limited

- (b) **Details of change in directors of the Issuer in the preceding 3 (three) financial years as on the date of this Key Information Document and current financial year :-**

Name of the Director	Designation	Date of Appointment	Date of Cessation
K.V.V.Satyanarayana	Director	08 September 2017	17 January 2025
V.Usharani	Director	31 October 2019	22 December 2021
Gopal Krishna Dwivedi,	Director	01 May 2020	02 August 2021
I. Mohan Rao	Director	28 August 2020	03 March 2022
V.G. Venkata Reddy	Director/VC&MD	01 February 2021	07 June 2024
V.G. Venkata Reddy	Director/DMG	01 February 2021	07 June 2024
G. Shammem Aslam	Director	02 August 2021	07 June 2024
Neerabh Kumar Prasad	Director	22 December 2021	22 February 2022
G.Sai Prasad	Director	22 February 2022	17 January 2025
D.Ramadevi	Director	03 March 2022	26 September 2024
Bipin Kumar	Director	09 December 2022	17 January 2025
Raman Narayanan	Director	01 February 2023	17 January 2025
Daggula Mallikarjuna Reddy	Director	06 April 2023	07 June 2024
Pravin Kumar	Director	19 June 2024	Till Date
Bandireddi Bapireddy	Director	20 September 2024	07 June 2024
Bathula Rama Rao	Director	20 September 2024	07 June 2024
C.Harish Reddy	Director	20 September 2024	07 June 2024
Chilluru Manjusha	Director	20 September 2024	07 June 2024
ES. Salma	Director	20 September 2024	07 June 2024
Gade Sujatha	Director	20 September 2024	07 June 2024
Garikina Gowri	Director	20 September 2024	07 June 2024
K.V. Ramana Reddy	Director	20 September 2024	07 June 2024
Lingareddy Veera Prathap Reddy	Director	20 September 2024	07 June 2024
M.Balamuni Reddy	Director	20 September 2024	07 June 2024
Mala Jayasudha	Director	20 September 2024	07 June 2024
Marty Lakshmi	Director	20 September 2024	07 June 2024
J.Nivas	Director	17 January 2025	Till Date
R.P.Sisodia	Director	17 January 2025	Till Date
Mukesh Kumar Meena	Director	19 January 2025	20 January 2025
G.Rama Subbaiah	Director	20 January 2025	Till Date

(c) **Details of directors' remuneration and such particulars of the nature and extent of their interests in the Issuer (during the current year and preceding 3 (three) financial years):**

i. **Remuneration payable or paid to a director by the Issuer, its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis:**

1. **Remuneration payable or paid to a director by the Issuer, its subsidiary or associate company:**

Sr. No.	Name of the Director	Designation	Remuneration Details for FY 2021-2022 In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	Gopal Krishna Dwivedi	Director	0.00	-	-
2.	V.G. Venkata Reddy	Director/VC&MD	0.00	-	-
3.	V.G. Venkata Reddy	Director/DMG	0.00	-	-
4.	I. Mohan Rao	Director	0.00	-	-
5.	V.Usharani	Director	0.00	-	-
6.	K.V.V.Satyanarayana	Director	0.00	-	-
7.	G. Shammem Aslam	Director	0.0517903	-	-
8.	Mala Jayasudha	Director	0.00812	-	-
9.	C.Harish Reddy	Director	0.00812	-	-
10.	Marty Lakshmi	Director	0.00812	-	-
11.	Gade Sujatha	Director	0.00812	-	-
12.	M.Balamuni Reddy	Director	0.00812	-	-
13.	ES. Salma	Director	0.00812	-	-
14.	Lingareddy Veera Prathap Reddy	Director	0.00812	-	-
15.	Bandireddi Bapireddy	Director	0.00812	-	-
16.	Bathula Rama Rao	Director	0.00812	-	-
17.	Chilluru Manjusha	Director	0.00812	-	-
18.	K.V. Ramana Reddy	Director	0.00812	-	-
19.	Garikina Gowri	Director	0.00	-	-

S.No.	Name of the Director	Designation	Remuneration Details for FY 2022-2023 In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	V.G. Venkata Reddy	Director	0.00	-	-
2.	D.Ramadevi	Director	0.00	-	-
3.	G.Sai Prasad	Director	0.00	-	-
4.	K.V.V.Satyanarayana	Director	0.00	-	-
5.	G. Shammem Aslam	Director	0.078	-	-
6.	Mala Jayasudha	Director	0.0168	-	-
7.	C.Harish Reddy	Director	0.0168	-	-
8.	Marty Lakshmi	Director	0.0168	-	-
9.	Gade Sujatha	Director	0.0168	-	-
10.	M.Balamuni Reddy	Director	0.0168	-	-
11.	ES. Salma	Director	0.0168	-	-
12.	Lingareddy Veera Prathap Reddy	Director	0.0168	-	-
13.	Bandireddi Bapireddy	Director	0.0168	-	-
14.	Bathula Rama Rao	Director	0.0168	-	-
15.	Chilluru Manjusha	Director	0.0168	-	-

16.	K.V. Ramana Reddy	Director	0.0168	-	-
17.	Garikina Gowri	Director	0.00	-	-
18.	Bipin Kumar	Director	0.00	-	-

S.No.	Name of the Director	Designation	Remuneration Details for FY 2023-2024 In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	V.G. Venkata Reddy	Director	0.00	-	-
2.	D.Ramadevi	Director	0.00	-	-
3.	G.Sai Prasad	Director	0.00	-	-
4.	K.V.V.Satyanarayana	Director	0.00	-	-
5.	G. Shammem Aslam	Director	0.078	-	-
6.	Mala Jayasudha	Director	0.0168	-	-
7.	C.Harish Reddy	Director	0.0168	-	-
8.	Marty Lakshmi	Director	0.0168	-	-
9.	Gade Sujatha	Director	0.0168	-	-
10.	M.Balamuni Reddy	Director	0.0168	-	-
11.	ES. Salma	Director	0.0168	-	-
12.	Lingareddy Veera Prathap Reddy	Director	0.0168	-	-
13.	Bandireddi Bapireddy	Director	0.0168	-	-
14.	Bathula Rama Rao	Director	0.0168	-	-
15.	Chilluru Manjusha	Director	0.0168	-	-
16.	K.V. Ramana Reddy	Director	0.0168	-	-
17.	Garikina Gowri	Director	0.00	-	-
18.	Daggula Mallikarjuna Reddy	Director	0.0168	-	-
19.	Raman Narayanan	Director	0.00	-	-
20.	Bipin Kumar	Director	0.00	-	-

S.No.	Name of the Director	Designation	Date Cessions	Remuneration Details for FY 2024-25 (upto 31st December 2024) In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
1.	V.G. Venkata Reddy	Director	07.06.2024	0.00	-	-
2.	D.Ramadevi	Director	26.09.2024	0.00	-	-
3.	G.Sai Prasad	Director	17.01.2025	0.00	-	-
4.	K.V.V.Satyanarayana	Director	17.01.2025	0.00	-	-
5.	Mukesh Kumar Meena	Director	20.01.2025	0.00	-	-
6.	Pravin Kumar	Director	Till Date	0.00	-	-
7.	R.P.Sisodia	Director	Till Date	0.00	-	-
8.	J.Nivas	Director	Till Date	0.00	-	-
9.	G.Rama Subbaiah	Director	Till Date	0.00	-	-
10.	G. Shammem Aslam	Director	07.06.2024	0.013	-	-
11.	Mala Jayasudha	Director	07.06.2024	0.0014	-	-
12.	C.Harish Reddy	Director	07.06.2024	0.0014	-	-
13.	Marty Lakshmi	Director	07.06.2024	0.0014	-	-
14.	Gade Sujatha	Director	07.06.2024	0.0014	-	-
15.	M.Balamuni Reddy	Director	07.06.2024	0.0014	-	-
16.	ES. Salma	Director	07.06.2024	0.0014	-	-
17.	Lingareddy Veera Prathap Reddy	Director	07.06.2024	0.0014	-	-



S.No.	Name of the Director	Designation	Date Cessions	Remuneration Details for FY 2024-25 (upto 31st December 2024) In Crores	Remuneration paid by Associate Companies	Remuneration paid by Subsidiary
18.	Bandireddi Bapireddy	Director	07.06.2024	0.0014	-	-
19.	Bathula Rama Rao	Director	07.06.2024	0.0014	-	-
20.	Chilluru Manjusha	Director	07.06.2024	0.0014	-	-
21.	K.V. Ramana Reddy	Director	07.06.2024	0.0014	-	-
22.	Garikina Gowri	Director	07.06.2024	0.00	-	-
23.	Daggula Mallikarjuna Reddy	Director	07.06.2024	0.0014	-	-
24.	Raman Narayanan	Director	17.01.2025	0.00	-	-
25.	Bipin Kumar	Director	17.01.2025	0.00	-	-

**7.11 Shareholding of the director in the Issuer, its subsidiaries and associate companies on a fully diluted basis;**

Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2024-2025 (up to December 31, 2024)	Total (INR)
Pravin Kumar In the position of Managing Director	Rs.1,000/-
Pravin Kumar In the position of Director of Mines & Geology	Rs.1,000/-
Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2023-2024	Total (INR)
V.G.Venkata Reddy In the position of VC& MD	Rs.1,000/-
V.G.Venkata Reddy In the position of Director of Mines & Geology	Rs.1,000/-
Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2022-2023	Total (INR)
V.G.Venkata Reddy In the position of VC& MD	Rs.1,000/-
V.G.Venkata Reddy In the position of Director of Mines & Geology	Rs.1,000/-
Shareholding of the Directors in the Issuer on a fully diluted basis -FY 2021-2022	Total (INR)
V.G.Venkata Reddy In the position of VC& MD	Rs.1,000/-
V.G.Venkata Reddy In the position of Director of Mines & Geology	Rs.1,000/-

Shareholding of the Directors in the Subsidiary on a fully diluted basis - FY 2024-2025 upto 31.12.2024	
-	-
-	-
Shareholding of the Directors in the Subsidiary on a fully diluted basis -FY 2023-2024	Total (INR)
-	-
-	-
Shareholding of the Directors in the Subsidiary on a fully diluted basis -FY 2022-2023	Total (INR)
-	-
Shareholding of the Directors in the Subsidiary on a fully diluted basis -FY 2021-2022	Total (INR)
-	-

Shareholding of the Directors in the Associate on a fully diluted basis - FY 2024-2025 upto 31.12.2024	Total (INR)
-	-

Shareholding of the Directors in the Associate on a fully diluted basis -FY 2024-2025	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2023-2024	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2022-2023	Total (INR)
-	-
Shareholding of the Directors in the Associate on a fully diluted basis -FY 2021-2022	Total (INR)
-	-

ii. **Appointment of any relatives to an officer or place of profit of the Issuer, its subsidiary or associate company:** NIL

iii. **Full particulars of the nature and extent of interest, if any, of every director:**

1. In the promotion of the Issuer: NIL

2. In any immovable property acquired by the Issuer company in the two years preceding the date of this Key Information Document or any immoveable property proposed to be acquired by it: NIL

Where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed:

NIL

iv. **Contribution being made by the directors as part of the offer or separately in furtherance of such objects:** NIL

**7.12 Any financial or other material interest of the directors, promoters, key managerial personnel or senior management in the Issue and the effect of such interest in so far as it is different from the interests of other persons:** NIL

**7.13 Following details regarding the auditors of the Issuer:**

(a) **Details regarding the Auditor of the Issuer**

Name	Address	Date of Appointment
M/s. M.N. Rao & Associates, Chartered Accountants	Vaishnavi Plaza, (2nd Floor), D.No.40-6/3-9, Near Siddhartha Public School, Mogalrajapuram, Vijayawada - 520 010 Andhra Pradesh	01-04-2024

(b) **Details of change in auditors for preceding 3 (three) financial years and current financial year:**

Name of the Firm	Address	Date of Appointment	Tenure
M/s. Chowdary & Rao	36-11-7, Santhi Nagar, 1st Lane, Mogalrajapuram Vijayawada – 520010.	Vide letter dated 28-11-2022 of CAG	01-04-2020 to 31-03-2023
M/s. M N Rao & Associates	Vaishnavi Plaza, 2nd Floor, D-No: 40-6/3-9, Near PV Siddhartha Public School, Mogalrajapuram, Vijayawada.	Vide letter dated 14-03-2024 of CAG	01-04-2023 to 31-03-2024
		Vide letter dated 21-09-2024 of CAG	01-04-2024 to 31-03-2025

**7.14 Details of the following liabilities of the Issuer as at the end of the preceding quarter (i.e., December 31, 2024):**

*Since the preparation of the financials for the period ended March 31, 2025 is in process, details of liabilities as on December 31, 2024, have been provided.*

**(a) Details of outstanding secured loan facilities:**

As provided under **Annexure F** of this Key Information Document.

**(b) Details of outstanding unsecured loan facilities of the Issuer**

As provided under **Annexure F** of this Key Information Document.

**(c) Details of outstanding non-convertible securities in the following format:**

As provided under **Annexure F** of this Key Information Document.

**(d) Details of commercial paper issuances as at the end of the last quarter in the following format:**

As provided under **Annexure F** of this Key Information Document.

**(e) List of top ten holders of non-convertible securities in terms of value (on a cumulative basis):**

As provided under **Annexure F** of this Key Information Document.

**(f) List of top ten holders of commercial paper in terms of value (on a cumulative basis):**

As provided under **Annexure F** of this Key Information Document.

**(g) The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc. (Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash). This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued: in whole or part, at a premium or discount, or in pursuance of an option or not.**

NIL

**(h) Details of bank fund-based facilities / rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures/preference shares) from financial institutions / financial creditors**

As per **Annexure F** of this Key Information Document.

**(i) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer in the preceding 3 (three) years and current financial year.**

NIL

- 7.15 If the security is backed by a guarantee or letter of comfort or any other document of a similar nature, a copy of the same shall be disclosed. In case such document does not contain the detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the issue document.**

As provided under the terms “Structured Payment Mechanism” and “Collateral support Structure” under the section titled “Summary of Key Terms” of this Key Information Document.

- 7.16 Any material event/development or change having implications on the financials/ credit quality (e.g. any material regulatory proceedings against the Issuer, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investors decision to invest/ continue to invest in the debt securities/ commercial paper.**

NIL

- 7.17 Details of default and non-payment of statutory dues for the preceding three financial years and current financial year:**

Name of Statute	Nature of Dues	Period amount relates	Amount in Rupees (2021-22)	Amount in Rupees (2022-23)	Amount in Rupees (2023-24)
Income Tax Act	TDS	2019-20	8,32,824	8,32,824	8,32,824
Central Goods	TDS	2019-20	1,29,16,730	1,29,16,730	1,29,16,730
Income Tax Act	TDS	2018-19	5,01,375	-	-
Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 2019-20	13,71,60,972	13,71,60,972	13,71,60,972
Mines and Minerals (Development Regulation Act)	Merit	2016-17 2019-20	90,66,196	94,19,538	94,19,538
Mines and Minerals (Development Regulation Act)	Cess	2016-17 2023-24	17,56,45,426	23,14,59,105	29,38,31,864
Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 2023-24	12,92,491	33,21,310	24,88,497

- 7.18 Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the Issuer, which may affect the Issue or the investor’s decision to invest / continue to invest in the debt securities and/ or non-convertible redeemable preference shares.**

**a) Litigation with respect to the Issuer**

While there are certain pending litigations involving the issuer, promoter, director, subsidiaries, group companies or any other person, as on the date of this Key Information Document, the Issuer does not envisage that outcome of any of such litigations can have material adverse effect on the financial position of the issuer, which may affect the issue or the investor’s decision to invest / continue to invest in the debt securities.

In the ordinary course of business, Issuer is a party to certain cases which include cases involving National Green Tribunal, VAT, Income tax authorities, Supreme Court cases, City Civil courts, High Court cases, arbitration cases, Lokayukta cases, district court cases, contempt of court cases, certain mineral related matters, service-related matters, mining related cases, land acquisition related cases etc.

Details of outstanding tax related matters are as follows:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees (2021-22)	Amount in Rupees (2022-23)	Amount in Rupees (2023-24)
Income Tax Act	Demand	CIT Appeals	2022-23 (A.Y)	5,08,47,380	5,08,47,380	5,08,47,380
Income Tax Act	Demand in nature of Penalty	CIT Appeals	2022-23 (A.Y)	86,57,91,978	86,57,91,978	86,57,91,978
Income Tax Act	Demand	CIT Appeals	2022-23 (A.Y)	1,59,96,54,780	1,59,96,54,780	1,59,96,54,780
Income Tax Act	Demand	CIT Appeals	2018-19(A.Y)	33,80,56,581	33,80,56,581	33,80,56,581
Income Tax Act	Demand	-	2020-21 (A.Y)	1,50,000	1,50,000	1,50,000
Income Tax Act	Demand	Rectification with DCIT	2014-15(A.Y)	1,54,14,54,900	1,54,14,54,900	1,54,14,54,900
Income Tax Act	Demand	ITAT	2011-12(A.Y)	5,49,46,047	5,49,46,047	5,49,46,047
Income Tax Act	Demand	ITAT	2012-13	1,10,70,279	1,10,70,279	1,10,70,279
Income Tax Act	Demand	ITAT	-	27,31,630	27,31,630	27,31,630
Income Tax Act	Demand	CIT Appeals	2016-17(A.Y)	43,07,51,326	43,07,51,326	43,07,51,326
VAT/Sales Tax	Tax on Explosive2 Nd Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165	2,87,647 3,36,253 5,08,166	2,87,647 3,36,253 5,08,167
VAT/Sales Tax	Tax on Explosive2 Nd Sale-Penalty	Tribunal	2007-08	3,92,913	3,92,913	3,92,913
VAT/Sales Tax	Tax on Explosive2 Nd Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821	1,00,47,014 33,49,005 6,02,822	1,00,47,014 33,49,005 6,02,823
VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030	2,32,95,681 83,61,030	2,32,95,681 83,61,030
VAT/Sales Tax	Consideration from Joint Venture & Other Receipts	Appellate Tribunal (Tirupati)	2020-21	-	6,64,38,807	6,64,38,807
CST APPELLATE Authority	H-Form's	CST Appellate Visakhapatnam	2022-23	-	3,74,39,288	3,74,39,288
CESTAT	Service tax on Seigniorage	CESTAT Hyderabad	2021-22	-	7,77,63,051	7,77,63,051
CESTAT	Penalty on service tax on Seigniorage	CESTAT Hyderabad	2021-22	-	-	7,77,63,051



- b) **Litigations involving the Promoter** : None
- c) **Litigations involving the Director** : None
- d) **Litigations involving the Subsidiaries** : None
- e) **Litigations involving the Group Companies** : None

**7.19 Details of acts of material frauds committed against the Issuer in the preceding three financial years and current financial year, if any, and if so, the action taken by the Issuer.**

NIL

**7.20 Details of pending proceedings initiated against the issuer for economic offences, if any**

NIL

**7.21 Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or guarantees given or securities provided.**

Please refer to **Annexure D** of this Key Information Document.

**7.22 In order to allow investors to better assess the issue, the following additional disclosures to be made in the Key Information Document: (i) a portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs; (ii) quantum and percentage of secured vis-à-vis unsecured borrowings granted by NBFC; (iii) any change in promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the Reserve Bank of India from time to time**

N.A.

**7.23 Consent of directors, auditors, bankers to issue, solicitors or advocates to the issue, legal advisors to the issue, registrar to the issue, and lenders (if required, as per the terms of the agreement) and experts**

Directors have given their consent by approving and passing board resolution dated 21.02.2025 (for issuance of NCDs)

The company has appointed MUFG Intime India Private Limited registrar to the issue vide appointment/engagement letter dated 06.03.2025.

The relevant NOC's/consents from lenders have been obtained.

Consents from legal advisors, auditors, bankers to issue, solicitors or advocates to the Issue are not applicable for the present Issue.

**7.24 Name of Debenture Trustee shall be mentioned with a statement to the effect that the Debenture Trustee has given its consent for appointment along with the copy of the consent letter from the Debenture Trustee.**

Beacon Trusteeship Limited, the debenture trustee has consented vide consent letter dated 11.03.2025 bearing reference number 69566/CL/MUM/24-25/DEB/620 to its appointment in accordance with regulation 13 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. A copy of the letter obtained from the debenture trustee consenting to its appointment along with a copy of the agreement executed by the debenture trustee with the issuer is enclosed in Annexure G of this Key Information Document.

## 7.25 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

- (a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made: **Actual / Actual.**
- (b) Procedure and time schedule for allotment and issue of securities:

<b>Issue Opening Date</b>	08.05.2025
<b>Issue Closing Date</b>	08.05.2025
<b>Pay-in Date</b>	09.05.2025
<b>Deemed Date of Allotment</b>	09.05.2025

- (c) Cash flows emanating from each series/ tranche (as applicable) of the Debt Securities by way of an illustration:

Per Bond of FV INR 1,00,000 each :

Days in a Year	Days	Payment Date	A	B	C	D	E	F	G	H	I	Total
			1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	9,00,000.00
<b>Issue Date</b>		<b>Thursday, 8 May, 2025</b>										
<b>Allotment Date</b>	1	<b>Friday, 9 May, 2025</b>	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-9,00,000.00
365	91	Friday, 8 August, 2025	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	20,867.67
365	91	Friday, 7 November, 2025	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	20,867.67
365	94	Monday, 9 February, 2026	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	21,555.62
365	88	Friday, 8 May, 2026	2,242.19	2,242.19	2,242.19	2,242.19	2,242.19	2,242.19	2,242.19	2,242.19	2,242.19	20,179.73
365	91	Friday, 7 August, 2026	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	45,867.67
365	94	Monday, 9 November, 2026	26,796.30	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	45,956.85
365	92	Tuesday, 9 February, 2027	26,172.05	2,344.11	2,344.11	2,344.11	2,344.11	2,344.11	2,344.11	2,344.11	2,344.11	44,924.93
365	87	Friday, 7 May, 2027	25,554.18	2,216.71	2,216.71	2,216.71	2,216.71	2,216.71	2,216.71	2,216.71	2,216.71	43,287.88
366	94	Monday, 9 August, 2027	-	27,388.52	2,388.52	2,388.52	2,388.52	2,388.52	2,388.52	2,388.52	2,388.52	44,108.20
366	92	Tuesday, 9 November, 2027	-	26,753.28	2,337.70	2,337.70	2,337.70	2,337.70	2,337.70	2,337.70	2,337.70	43,117.21
366	92	Wednesday, 9 February, 2028	-	26,168.85	2,337.70	2,337.70	2,337.70	2,337.70	2,337.70	2,337.70	2,337.70	42,532.70
366	90	Tuesday, 9 May, 2028	-	25,571.72	2,286.89	2,286.89	2,286.89	2,286.89	2,286.89	2,286.89	2,286.89	41,579.92
365	91	Tuesday, 8 August, 2028	-	-	27,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	41,230.41
365	91	Tuesday, 7 November, 2028	-	-	26,738.97	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	40,650.75
365	92	Wednesday, 7 February, 2029	-	-	26,172.05	2,344.11	2,344.11	2,344.11	2,344.11	2,344.11	2,344.11	40,236.71
365	90	Tuesday, 8 May, 2029	-	-	25,573.29	2,293.15	2,293.15	2,293.15	2,293.15	2,293.15	2,293.15	39,332.19
365	91	Tuesday, 7 August, 2029	-	-	-	27,318.63	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	38,911.78
365	94	Friday, 9 November, 2029	-	-	-	26,796.30	2,395.07	2,395.07	2,395.07	2,395.07	2,395.07	38,771.64
365	91	Friday, 8 February, 2030	-	-	-	26,159.32	2,318.63	2,318.63	2,318.63	2,318.63	2,318.63	37,752.47
365	88	Tuesday, 7 May, 2030	-	-	-	25,560.55	2,242.19	2,242.19	2,242.19	2,242.19	2,242.19	36,771.51
365	94	Friday, 9 August, 2030	-	-	-	-	27,395.07	2,395.07	2,395.07	2,395.07	2,395.07	36,975.34
365	91	Friday, 8 November, 2030	-	-	-	-	26,738.97	2,318.63	2,318.63	2,318.63	2,318.63	36,013.49
365	91	Friday, 7 February, 2031	-	-	-	-	26,159.32	2,318.63	2,318.63	2,318.63	2,318.63	35,433.84
365	91	Friday, 9 May, 2031	-	-	-	-	25,579.66	2,318.63	2,318.63	2,318.63	2,318.63	34,854.18
366	91	Friday, 8 August, 2031	-	-	-	-	-	27,312.30	2,312.30	2,312.30	2,312.30	34,249.18
366	91	Friday, 7 November, 2031	-	-	-	-	-	26,734.22	2,312.30	2,312.30	2,312.30	33,671.11
366	94	Monday, 9 February, 2032	-	-	-	-	-	26,194.26	2,388.52	2,388.52	2,388.52	33,050.84
366	88	Friday, 7 May, 2032	-	-	-	-	-	25,559.02	2,236.07	2,236.07	2,236.07	32,267.21
365	94	Monday, 9 August, 2032	-	-	-	-	-	-	27,395.07	2,395.07	2,395.07	32,185.21
365	92	Tuesday, 9 November, 2032	-	-	-	-	-	-	26,758.08	2,344.11	2,344.11	31,446.30
365	92	Wednesday, 9 February, 2033	-	-	-	-	-	-	26,172.05	2,344.11	2,344.11	30,860.27
365	89	Monday, 9 May, 2033	-	-	-	-	-	-	25,566.92	2,267.67	2,267.67	30,102.26
365	92	Tuesday, 9 August, 2033	-	-	-	-	-	-	-	27,344.11	2,344.11	29,688.22
365	91	Tuesday, 8 November, 2033	-	-	-	-	-	-	-	26,738.97	2,318.63	29,057.60
365	92	Wednesday, 8 February, 2034	-	-	-	-	-	-	-	26,172.05	2,344.11	28,516.16
365	90	Tuesday, 9 May, 2034	-	-	-	-	-	-	-	25,573.29	2,293.15	27,866.44
365	91	Tuesday, 8 August, 2034	-	-	-	-	-	-	-	-	27,318.63	27,318.63
365	91	Tuesday, 7 November, 2034	-	-	-	-	-	-	-	-	26,738.97	26,738.97
365	92	Wednesday, 7 February, 2035	-	-	-	-	-	-	-	-	26,172.05	26,172.05
365	90	Tuesday, 8 May, 2035	-	-	-	-	-	-	-	-	25,573.29	25,573.29
			1,15,115.68	1,24,431.42	1,33,702.81	1,43,009.18	1,52,321.92	1,61,599.66	1,70,941.16	1,80,228.42	1,89,502.95	13,70,853.19

Principal Only :

Days in a Year	Days	Payment Date	A	B	C	D	E	F	G	H	I	Total
			1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	9,00,000.00
<b>Issue Date</b>		<b>Thursday, 8 May, 2025</b>										
<b>Allotment Date</b>	1	<b>Friday, 9 May, 2025</b>	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-1,00,000.00	-9,00,000.00
365	91	Friday, 8 August, 2025	-	-	-	-	-	-	-	-	-	-
365	91	Friday, 7 November, 2025	-	-	-	-	-	-	-	-	-	-
365	94	Monday, 9 February, 2026	-	-	-	-	-	-	-	-	-	-
365	88	Friday, 8 May, 2026	-	-	-	-	-	-	-	-	-	-
365	91	Friday, 7 August, 2026	25,000.00	-	-	-	-	-	-	-	-	25,000.00
365	94	Monday, 9 November, 2026	25,000.00	-	-	-	-	-	-	-	-	25,000.00
365	92	Tuesday, 9 February, 2027	25,000.00	-	-	-	-	-	-	-	-	25,000.00
365	87	Friday, 7 May, 2027	25,000.00	-	-	-	-	-	-	-	-	25,000.00
366	94	Monday, 9 August, 2027	-	25,000.00	-	-	-	-	-	-	-	25,000.00
366	92	Tuesday, 9 November, 2027	-	25,000.00	-	-	-	-	-	-	-	25,000.00
366	92	Wednesday, 9 February, 2028	-	25,000.00	-	-	-	-	-	-	-	25,000.00
366	90	Tuesday, 9 May, 2028	-	25,000.00	-	-	-	-	-	-	-	25,000.00
365	91	Tuesday, 8 August, 2028	-	-	25,000.00	-	-	-	-	-	-	25,000.00
365	91	Tuesday, 7 November, 2028	-	-	25,000.00	-	-	-	-	-	-	25,000.00
365	92	Wednesday, 7 February, 2029	-	-	25,000.00	-	-	-	-	-	-	25,000.00
365	90	Tuesday, 8 May, 2029	-	-	25,000.00	-	-	-	-	-	-	25,000.00
365	91	Tuesday, 7 August, 2029	-	-	-	25,000.00	-	-	-	-	-	25,000.00
365	94	Friday, 9 November, 2029	-	-	-	25,000.00	-	-	-	-	-	25,000.00
365	91	Friday, 8 February, 2030	-	-	-	25,000.00	-	-	-	-	-	25,000.00
365	88	Tuesday, 7 May, 2030	-	-	-	25,000.00	-	-	-	-	-	25,000.00
365	94	Monday, 9 August, 2030	-	-	-	-	25,000.00	-	-	-	-	25,000.00
365	91	Friday, 8 November, 2030	-	-	-	-	25,000.00	-	-	-	-	25,000.00
365	91	Friday, 7 February, 2031	-	-	-	-	25,000.00	-	-	-	-	25,000.00
365	91	Friday, 9 May, 2031	-	-	-	-	25,000.00	-	-	-	-	25,000.00
366	91	Friday, 8 August, 2031	-	-	-	-	-	25,000.00	-	-	-	25,000.00
366	91	Friday, 7 November, 2031	-	-	-	-	-	25,000.00	-	-	-	25,000.00
366	94	Monday, 9 February, 2032	-	-	-	-	-	25,000.00	-	-	-	25,000.00
366	88	Friday, 7 May, 2032	-	-	-	-	-	25,000.00	-	-	-	25,000.00
365	94	Monday, 9 August, 2032	-	-	-	-	-	-	25,000.00	-	-	25,000.00
365	92	Tuesday, 9 November, 2032	-	-	-	-	-	-	25,000.00	-	-	25,000.00
365	92	Wednesday, 9 February, 2033	-	-	-	-	-	-	25,000.00	-	-	25,000.00
365	89	Monday, 9 May, 2033	-	-	-	-	-	-	25,000.00	-	-	25,000.00
365	92	Tuesday, 9 August, 2033	-	-	-	-	-	-	-	25,000.00	-	25,000.00
365	91	Tuesday, 8 November, 2033	-	-	-	-	-	-	-	25,000.00	-	25,000.00
365	92	Wednesday, 8 February, 2034	-	-	-	-	-	-	-	25,000.00	-	25,000.00
365	90	Tuesday, 9 May, 2034	-	-	-	-	-	-	-	25,000.00	-	25,000.00
365	91	Tuesday, 8 August, 2034	-	-	-	-	-	-	-	-	25,000.00	25,000.00
365	91	Tuesday, 7 November, 2034	-	-	-	-	-	-	-	-	25,000.00	25,000.00
365	92	Wednesday, 7 February, 2035	-	-	-	-	-	-	-	-	25,000.00	25,000.00
365	90	Tuesday, 8 May, 2035	-	-	-	-	-	-	-	-	25,000.00	25,000.00
			1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00	9,00,000.00

## 7.26 UNDERTAKING BY THE ISSUER

- (a) For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the SEBI nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement on the cover page under the section 'General Risk'.
- (b) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Key Information Document contains all information with regard to the Issuer and the issue, that the information contained in the issue document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- (c) The Issuer has no side letter with any debenture holder except the one(s) disclosed in this Key Information Document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

## 7.27 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

By very nature and volume of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. Copies of these contracts together with the copies of documents referred hereinbelow may be inspected at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any Working Day until the Issue Closing Date:

1. Memorandum and Articles of Association of the Company.
2. Shareholders' Resolution under section 180(1)(c) and section 180(1) (a) of the Companies Act, 2013 dated 21.02.25 authorizing the board to borrow within the overall borrowing limits of the Company.
3. Board resolution and shareholders' resolution each dated 21.02.2025 authorizing the Issuer to issue Bonds.
4. Consent letter from Beacon Trusteeship Limited dated 11.03.25 for acting as a debenture trustee for and on behalf of the Debenture holders.
5. Consent letter from MUFG Intime India Private Limited dated 08.04.25 for acting as Registrars and Transfer Agents to the Issue.
6. Letter from India Ratings and Research Private Limited dated 16.04.25 conveying the credit rating for the Debentures of the Company.
7. Letter from Acuite Rating and Research Private Limited dated 06.05.25 conveying the credit rating for the Debentures of the Company.
8. Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form.
9. Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form.
10. Annual reports of the company for FY16, FY17 & FY18.
11. Financials Statements of the Company for FY19, FY20, FY21, FY22, FY23, FY24 & stub period ended December 2024.

## 7.28 Other details:

- (a) **Creation of Debenture Redemption Reserve ("DRR") – relevant legislations and applicability:**

The Issuer shall have created a Debenture Redemption Reserve ("DRR") as per the provisions of the Companies Act, 2013 and the guidelines issued by the Ministry of Corporate Affairs and SEBI as amended from time to time (if and as applicable), and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any government agency

having authority under law in respect of creation of DRR, the Issuer shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Bond Trustee. The Issue of Debt Securities shall be in conformity with the applicable provisions of the the SEBI Debt Regulations, the SEBI Listing Regulations and the applicable SEBI guidelines.

- (b) **Issue/instrument specific regulations – relevant details (Companies Act, 2013, guidelines issued by the Reserve Bank of India, etc.):**

The Issue of Debt Securities shall be in conformity with the applicable provisions of the SEBI Debt Regulations, the SEBI Listing Regulations and the applicable SEBI guidelines.

- (c) **Default in payment:**

In case of default (including delay) in payment of Interest and/or principal redemption on the due dates, additional interest at 2% p.a. or such other rate as may be prescribed under the Applicable Law over and above the applicable Coupon Rate will be payable by the Issuer for the defaulting period in respect of the Debentures shall be payable by the Issuer in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI circulars, as amended from time to time.

- (d) **Delay in listing:**

In case of delay in listing of the Debentures beyond 3 (three) trading days from the Issue Closing Date the Issuer shall pay penal interest to the Debenture Holders, of at least 1.00% p.a. over the Coupon Rate from the Deemed Date of Allotment until the listing of such Debentures on the entire outstanding amount pertaining to the Debentures.

- (e) **Delay in allotment of securities:**

The Issuer will undertake the allotment of the Debentures within the specified timeline, and in the event of delay of the same, the Issuer shall pay such penalty / default interest as may be prescribed under Applicable Law.

- (f) **Delay in execution of DTD:**

Where an issuer fails to execute the trust deed within the timelines specified, the issuer shall also pay interest of at least two percent per annum or such other rate, as specified by the board to the holder of debt securities, over and above the agreed Coupon Rate, till the execution of the trust deed.

- (g) **Issue details:**

Please see the section titled '*Issue Details*'.

- (h) **Application process:**

Please refer to '*Issue Procedure*'.

- (i) **Disclosure required under form PAS-4 under Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:**

**FORM PAS - 4**  
**(see rule 14(3) Companies (Prospectus and Allotment of Securities) Rules, 2014)**  
**PART-A**  
**PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

**1. GENERAL INFORMATION:**

- i. Name, address, website and other contact details of the company indicating both registered office and corporate office:

<b>Name of the Company</b>	<b>The Andhra Pradesh Mineral Development Corporation Limited</b>
<b>Registered Office Address</b>	D.No.6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India, 500004
<b>Corporate Office Address</b>	294/1D, 100 Feet Tadigadapa to Enikepadu Road, Tadigadapa, Vijayawada – 521 137, Andhra Pradesh
<b>Contact Number</b>	+91(0)866- 2429999
<b>Fax Number</b>	N.A.
<b>Email id</b>	<a href="mailto:cslegal-ho@apmdc.in">cslegal-ho@apmdc.in</a>
<b>Website</b>	<a href="http://www.apmdc.ap.gov.in">www.apmdc.ap.gov.in</a>

- ii. **Date of incorporation of the company:**

24.02.1961

- iii. **Business carried on by the company and its subsidiaries with the details of \branches or units:**

- a. The description of the Company's Principal Business Activities are as under:

*Please refer the Details regarding the description of the Company's Principal Business Activities at "Section 7.6 (a)" of the General Information Document*

- b. Details about the subsidiaries of the Company with the details of \branches or units:

*Please refer the Details about the Subsidiaries of the company with the details of \ branches or units at "Section 7.6 (d)" of the General Information Document.*

- iv. **Brief particulars of the management of the company**

- a. Details of Board of Directors of the Company & their profile

*Please refer the Details regarding the directors of the Issuer at "Section 7.10" of the Key Information Document.*

- b. Details of Key Management Personnel of the Company & their profile

Not Applicable

- v. **Names, addresses, Director Identification Number (DIN) and occupations of the directors:**

*Please refer the Details regarding the directors of the Issuer at "Section 7.10" of the Key Information Document.*

- vi. **Management's perception of risk factors:**

*Please refer to "Section 6" of the Key Information Document for the Management's Perception of the Risk Factors*

- vii. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –**

- (a) statutory dues



Please refer to “Section 7.17” of the Key Information Document for the details of default and non-payment of Statutory Dues.

(b) debentures and interest thereon

Not Applicable

(c) deposits and interest thereon

Not Applicable

(d) loan from any bank or financial institution and interest thereon

Nil

**viii. Name, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process:**

Name	Somu Siva Rama Krishna
Designation	Company Secretary and Compliance Officer
Address	294/1D, 100 Feet Tadigadapa to Enikepadu Road, Tadigadapa, Vijayawada – 521 137, Andhra Pradesh
Phone Number	0866-2429999
Email Id	cslegal-ho@apmdc.in

**ix. Registrar of the Issue:**

Registrar of the Issue	MUFG Intime India Private Limited (erstwhile known as Link Intime India Private Limited)
Contact Person	Ganesh Jadhav
Telephone Number	9910402901
Email ID	ganesh.jadhav@in.mpms.mufig.com

**x. Valuation Agency: N.A.**

**xi. Auditors:**

Statutory Auditor	M/s. M.N. Rao & Associates, Chartered Accountants
Contact Person	Mr. Santhosh Kumar
Telephone Number	+91 866 2480201
Email ID	audit@mnraoca.in

**xii. Any Default in Annual filing of the company under the Companies Act, 2013 or the rules made thereunder:**

Sr. No.	Annual Filing Forms to be Filed
1	Form AOC-4 XBRL financial year 2018-19
2	Form AOC-4 XBRL financial year 2019-20
3	Form AOC-4 XBRL financial year 2020-21
4	Form AOC-4 XBRL financial year 2021-22
5	Form AOC-4 XBRL financial year 2022-23
6	Form AOC-4 XBRL financial year 2023-24

**2. PARTICULARS OF OFFER:**

**i. Financial position of the Company for the Last 3 Financial Years:**

Please refer the Details about the Financial Position of the Company for the last 3 Years at “Section 7.8” of the General Information Document.

ii. Date of passing of Board Resolution:

Directors have given their consent by approving and passing board resolution dated 21.02.2025 (for issuance of NCDs)

iii. Date of passing of resolution in the general meeting, authorizing the offer of securities:

The Shareholders of the Company have approved an aggregate borrowing limits of the Company, including through issue of debentures under Section 180(1)(c) of the Companies Act, 2013.  
Date of passing of resolution in the general meeting, authorizing the offer of securities is 21.02.2025.

iv. Kinds of securities offered (i.e. whether share or debenture) and class of security; the total numbers of shares or other securities to be issued:

Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible bonds (“NCD” or “Debentures” or “Bonds”); supported by Unconditional & Irrevocable guarantee from the Government of Andhra Pradesh (“GoAP”), in the form of a continuing obligation, for the timely servicing of the interest and principal in respect of such Debentures / Bonds OF FACE VALUE OF INR 1,00,000 (Indian Rupees One Lakh Only) each for cash at par, aggregating upto INR 8999,91,00,000/- (Indian Rupees Eight Thousand Nine Hundred Ninety Nine Crores and Ninety One lakhs Only) (“DEBT SECURITIES” / “NCDs”/ “DEBENTURES”) with a base issue size of INR 1999,98,00,000 (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs Only) along with green shoe option of INR 6999,93,00,000 (Indian Rupees Six Thousand Nine Hundred Ninety Nine Crores and Ninety Three Lakhs Only). The Issue Size would comprise of 9 Sub-Series (A to I) of sequentially redeemable Bonds in equal quarterly instalments.

The Issuer has accepted bids for subscription of Bonds for an aggregate amount of INR 3489,21,00,000 (Indian Rupees Three Thousand Four Hundred Eighty Nine Crores and Twenty One Lakhs only), comprising of a base issue size of INR 1999,98,00,000 (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs only) along with green shoe option of INR 1489,23,00,000 (Indian Rupees One Thousand Four Hundred Eighty Nine Crores and Twenty Three Lakhs Only).

v. Price at which the security is being offered including the premium, if any, along with justification of the price:

*Face Value : INR 1,00,000/-*

*Premium : As determined by EBP Platform*

*Total (Justification): As determined by EBP Platform*

vi. Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer:

*Not Applicable*

vii. Relevant date with reference to which the price has been arrived at:

*Not Applicable*

viii. The class or classes of persons to whom the allotment is proposed to be made:

Allotment is proposed to be made to Eligible Investors.

*Please refer to “ Section 8” of Key Information Document for details on Eligible Investors.*

ix. Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer):

*None*

- x. The proposed time within which the allotment shall be completed:

Issue / Bid Open Date: 08.05.2025  
Issue / Bid Closing Date: 08.05.2025  
Pay-In Date: 09.05.2025  
Deemed Date of Allotment: 09.05.2025

- xi. The names of the proposed allottees and the percentage of post private placement capital that may be held by them:

*Not Applicable*

- xii. The change in control, if any, in the company that would occur consequent to the private placement:

*Not Applicable*

- xiii. The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price:

*Not Applicable*

- xiv. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

*Not Applicable*

- xv. Amount which the company intends to raise by way of proposed offer of securities:

In the nature of debentures of face value of INR 1,00,000 (Indian Rupees One Lakh Only) each for cash at par, aggregating upto INR 8999,91,00,000/- (Indian Rupees Eight Thousand Nine Hundred Ninety Nine Crores and Ninety One lakhs Only) ("DEBT SECURITIES" / "NCDs"/ "DEBENTURES") with a base issue size of INR 1999,98,00,000 (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs Only) along with green shoe option of INR 6999,93,00,000 (Indian Rupees Six Thousand Nine Hundred Ninety Nine Crores and Ninety Three Lakhs Only) The Issue Size would comprise of 9 Sub-Series (A to I) of sequentially redeemable Bonds in equal quarterly instalments.

The Issuer has accepted bids for subscription of Bonds for an aggregate amount of INR 3489,21,00,000 (Indian Rupees Three Thousand Four Hundred Eighty Nine Crores and Twenty One Lakhs only), comprising of a base issue size of INR 1999,98,00,000 (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs only) along with green shoe option of INR 1489,23,00,000 (Indian Rupees One Thousand Four Hundred Eighty Nine Crores and Twenty Three Lakhs Only).

- xvi. Terms of raising of securities - Duration, if applicable, rate of dividend or rate of interest, mode of payment and repayment:

*Please refer to the annexed Term Sheet*

- xvii. Proposed time schedule for which this offer document is valid:

Issue / Bid Open Date: 08.05.2025  
Issue / Bid Closing Date: 08.05.2025  
Pay-In Date: 09.05.2025  
Deemed Date of Allotment: 09.05.2025

- xviii. Purposes and objects the offer:

*Please refer to the annexed Term Sheet*

- xix. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:

NIL

- xx. Principle terms of assets charged as security, if applicable:

*Please refer to the annexed Term Sheet*

- xxi. The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations:

*Please Refer "Section 7" of the General Information Document*

- xxii. The pre-issue and post-issue shareholding pattern of the company:

Pre Issue : *Please refer "Section 7.9" of the General information Document*

Post Issue : There shall be no change in the shareholding pattern post issuance of Bonds

S. No.	Category	Pre-Issue		Post-Issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
<b>A</b>	<b>Promoters' holding</b>				
<b>1</b>	Indian	Part B	N.A.	N.A.	N.A.
	Individual	N.A.	N.A.	N.A.	N.A.
	Bodies Corporate	63,062	100%	NA	NA
	Sub-total	N.A.	N.A.	N.A.	N.A.
<b>2</b>	<b>Foreign promoters</b>	N.A.	N.A.	N.A.	N.A.
	<b>Sub-total (A)</b>	63,062	100%	NA	NA
<b>B</b>	<b>Non-promoters' holding</b>	N.A.	N.A.	N.A.	N.A.
1	Institutional investors	N.A.	N.A.	N.A.	N.A.
2	Non-institutional investors	N.A.	N.A.	N.A.	N.A.
	Private corporate bodies	N.A.	N.A.	N.A.	N.A.
	Director and relatives	N.A.	N.A.	N.A.	N.A.
	Indian public	N.A.	N.A.	N.A.	N.A.
	Others (including Non-resident Indians (NRIs))	N.A.	N.A.	N.A.	N.A.
	<b>Sub-total (B)</b>	N.A.	N.A.	N.A.	N.A.
	<b>GRAND TOTAL (A+B)</b>	63,062	100%	N.A.	N.A.

### 3. MODE OF PAYMENT FOR SUBSCRIPTION:

- Cheque
- Demand Draft
- Other Banking Channels ✓

### 4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC.:

- i. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons

*NIL*

- ii. Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of this offer document and any direction issued by such

Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed

*Please refer to “Section 7.18” of this Key Information Document*

- iii. Remuneration of directors (during the current year and last three financial years)

*Please refer to “Section 7.10 (c)” of this Key Information Document*

- iv. Related party transactions entered during the last three financial years immediately preceding the year of issue of this offer document including with regard to loans made or, guarantees given or securities provided

*Please refer Annexure D of this Key Information Document*

- v. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of this offer document and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark;

*Please refer to the Financials for FY22, FY23, FY24 and for the stub period ended December 31, 2024 annexed as – **Annexure E** of this Key Information Document.*

- vi. Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of this offer document in the case of company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this offer document and if so, section-wise details thereof for the company and all of its subsidiaries

*NIL*

- vii. Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

*NIL*

## 5. FINANCIAL POSITION OF THE COMPANY:

- i. The capital structure of the company:

	Authorised Capital (In Rs.)	Issued Capital (In Rs.)	Subscribed Capital (In Rs.)	Paid Up Capital(In Rs.)
<b>Number of Equity shares</b>	1,00,000	63,062	63,062	63,062
<b>Nominal amount per equity share</b>	1,000	1,000	1,000	1,000
<b>Total amount of equity shares</b>	10,00,00,000	6,30,62,000	6,30,62,000	6,30,62,000

- ii. Size of the present offer: Upto INR 8999,91,00,000/- (Indian Rupees Eight Thousand Nine Hundred Ninety-Nine Crores and Ninety-One lakhs Only)(Includes green shoe option of INR 6999,93,00,000 (Indian Rupees Six Thousand Nine Hundred Ninety-Nine Crores and Ninety Three Lakhs Only).

The Issuer has accepted bids for subscription of Bonds for an aggregate amount of INR 3489,21,00,000 (Indian Rupees Three Thousand Four Hundred Eighty Nine Crores and Twenty One Lakhs only), comprising of a base issue size of INR 1999,98,00,000 (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs only) along with green shoe option of INR 1489,23,00,000 (Indian Rupees One Thousand Four Hundred Eighty Nine Crores and Twenty Three Lakhs Only).



- iii. Paid up capital : INR 6,30,62,000 /- ( Indian Rupees Six Crore Thirty Lakh and sixty-Two Thousand)
- After the offer:  
No change
  - After conversion of convertible instruments (if applicable);  
Not Applicable
  - Share premium account (before and after the offer)  
Not Applicable

- iv. The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

*Please refer "Section 7.9" of the General Information Document*

- v. The number and price at which each of the allotments were made in the last one year preceding the date of the this offer document:

No Allotments were made in the last one year preceding the date of the private placement offer cum application letter:

- vi. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter:

*Please refer the Details about the Financial Position of the Company for the last 3 Years at "Section 7.8" of the General Information Document.*

- vii. Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid):

Details	FY-24	FY-23	FY-22
Dividend Declared by the Company	N.A.	N.A.	N.A.
Interest Coverage Ratio			
*Standalone	19.67	10.54	24.56
*Consolidated	19.67	10.54	24.56

- viii. A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter:

*Please refer the Details about the Financial Position of the Company for the last 3 Years at "Section 7.8" of the General Information Documents*

- ix. Audited Cash Flow statement for the three years immediately preceding the date of issue of private placement offer cum application letter:

*Please refer the Details about the Financial Position of the Company for the last 3 Years at "Section 7.8" of the General Information Document.*

- x. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:

There is no change in accounting policies in last three financial years.

## 6. A DECLARATION BY THE DIRECTORS THAT

- the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder
- the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

- iii. the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;

I am authorised by the Board of Directors of the company vide resolution number 18 dated 21<sup>st</sup> February 2025 to sign this form and declare that all the requirements of the companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Date: 6<sup>th</sup> May 2025

Place: Vijayawada

Attachments:

- Copy of Board resolution
- Copy of shareholder's resolution
- Terms of Issue
- Valuation Report.
- Cash Flow Statements
- Application Form

- (j) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:**

- i) Gestation Period of the project: 1-2 years
- ii) Deadlines for completion of the project: The project will start in FY27 and will be ongoing for 10-50 years
- iii) Summary of the project appraisal report (if any):

APMDC has conceptualized a program to significantly expand its operations in the minor minerals sector. As a State-Govt. owned nodal mining company, APMDC has been given access for extraction of minor minerals across the state such as

- a. Granite Leases:** There are over 320 deposits, covering an extent of almost 1,600 Ha., in Govt. land, containing various types of granite viz., Black Galaxy Granite, Black Granite & Color Granite.
- b. Building Materials:** Over 100 deposits of building material, spanning over 400 Ha., have already been identified in Govt. land in Andhra Pradesh.
- c. Quartz/Quartzite/Silica Sand:** Close to 30 deposits of Quartz/Quartzite/Silica Sand, over an extent of ~180 Ha., have already been identified in Govt. land in Andhra Pradesh.
- d. Others:** In addition to the above, there are more than 30 deposits of various other minor minerals, including Dolomite, Pyrophilite, Barytes, Mosaic Chips, Clay etc. with a total extent of ~240 Ha. of Govt. land.

APMDC intends to pursue with the State Govt. to obtain preferential allocation of the above minor mineral deposits and subsequently take up their development & operations, so as to increase its portfolio of projects & augment revenues.

- iv) Schedule of implementation of the project:

Statutory Clearance	Authority	Target Timelines
Issue of Letter Intent (LoI)	Mines Department, GoAP	End of June 2025
Approved Mining Plan (AMP)	Mines Department, GoAP	End of Aug 2025
Environmental Clearance (EC)	State Environment Impact Assessment Authority (SEIAA)	End of Feb 2026
Consent to Establish (CTE)	AP Pollution Control Board	End of Mar 2026
Grant of Lease	Mines Department, GoAP	End of Apr 2026
Consent to Operate (CTO)	AP Pollution Control Board	End of May 2026

**7.29 If the proceeds from the Debentures will be utilized for:**

S. No.	Particulars	Whether Applicable
1.	<p>If the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or is to be applied directly or indirectly:</p> <p>(i) in the purchase of any business; or</p> <p>(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith, the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof, a report made by a chartered accountant (who shall be named in the issue document) upon:</p> <p>A. the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the issue document; and</p> <p>B. the assets and liabilities of the business as on the latest date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the issue document.</p>	N.A
2.	In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties	N.A.
3.	<p>If:</p> <p>(i) the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and</p> <p>(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the issue document) upon</p> <p>A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the issue document; and</p> <p>B. the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.</p>	N.A.

**7.30 The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the Issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default:**

Key Terms	Particulars
Re-scheduling	

Prepayment	2.00 % of the pre-paid amount. However, pre-payment charges will not be levied on the following instances: a. In case payment has been made out of cash sweep/ insurance proceeds, b. Payment at the instance of lenders, c. Loans prepaid out of higher cash accruals from the project / equity infusion by promoters and d. In the instances where the bank has strategically decided to exit from the exposure
Penalty	In case of non-payment of interest and installment on the date when it falls due penal interest @5.00% p.a. on the irregular portion for the period of irregularity will be charged. Penal interest @1 % p.a. will be charged on entire outstanding loan amount from the date of execution of standalone documents (wherever applicable), if the perfection of security is not completed within stipulated timeline allowed of 06 months.
Default	As stated above under the head “Penalty”

There is no lending or borrowing between the Issuer and its subsidiaries or associates.

- 7.31 The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group, and by the directors of the company which is a promoter of the issuer company, and by the directors of the issuer company and their relatives, within six months immediately preceding the date of filing the issue document with the Registrar of Companies.**

N.A.

- 7.32 Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document.**

Financial year/ Period ended	Page number from the consolidated financials	Page number from the standalone financials
FY 2021-22	Page 64	Page 69
FY 2022-23	Page 65	Page 66
FY 2023-24	Page 71	Page 74
Stub period ended December 31, 2024	Page 49	Page 60

- 7.33 The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of issue document, and of their impact on the financial statements and financial position of the company, and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.**

Please refer to the Financials for FY22, FY23, FY24 and for the stub period ended December 31, 2024 annexed as – **Annexure E** of this Key Information Document.

- 7.34 The details of (A) any inquiry, inspections or investigations initiated or conducted under the securities laws or Companies Act, 2013 or any previous companies law; (B) prosecutions filed, if any (whether pending or not); and (C) fines imposed or offences compounded, in the three years immediately preceding the year of issue of issue document in the case of the issuer being a company and all of its subsidiaries.**

NIL

- 7.35 The details of acts of material frauds committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the issuer.**

NIL

### **7.36 Rights of Debenture Holders**

The rights, privileges and conditions attached to the Debt Securities may be varied, modified and/or abrogated with the consent in writing of the Debt Security Holders holding at least fifty one percent of the outstanding amount of the Debt Securities or with the sanction of special resolution passed at a meeting of the concerned Debt Security Holders, provided that nothing in such consent or resolution shall be operative against the Issuer, where such consent or resolution modifies or varies the terms and conditions governing the Debt Securities, if the same are not acceptable to the Issuer.

The registered Debt Security Holder shall be entitled to vote in respect of such Debt Securities, either in person or by proxy, at any meeting of the concerned Debt Security Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debt Securities held by him/her on every resolution placed before such meeting of the Debt Security Holders.

The Debt Securities are subject to the provisions of the Debenture Trust Deed and the terms of the Issue Document. Over and above such terms and conditions, the Debt Securities shall also be subject to other terms and conditions as may be incorporated in the Debenture Trust Deed / Debenture Trustee Agreement/ letters of allotment/ debenture certificates, guidelines, notifications and regulations issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debt Securities.

## **8. ISSUE PROCEDURE**

The Issuer proposes to issue each series/ tranche (as applicable) of the Debt Securities on the terms set out in this Key Information Document subject to the provisions of the SEBI Debt Regulations, the SEBI LODR Regulations and other terms and conditions as may be incorporated in the relevant Debt Security Trust Deed. This section applies separately to the issue of each series/ tranche (as applicable) of the Debt

### **Who Can Bid/Apply/Invest**

**All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the Issue as per the norms approved by Government of India, RBI or any other statutory body from time to time, including but not limited to SEBI Master Circular. The contents of the Issue Document and any other information supplied in connection with the Issue Document, or the Debt Securities are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.**

**The Issue will be under the electronic book mechanism as required in terms of the SEBI Master Circular.**

However, out of the aforesaid class of investors eligible to invest, the Issue Document is intended solely for the use of the person to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving the Issue Document from the Issuer).

### **8.1 Documents to be provided by successful bidders**

Investors need to submit the certified true copies of the following documents, along with the application form, as applicable:

- (a) Articles and Memorandum of Association/ Constitution/ Bye-laws;
- (b) Board Resolution authorizing the investment and containing operating instructions;



- (c) Power of Attorney/ relevant resolution/authority to make application;
- (d) Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- (e) Copy of Permanent Account Number Card (“**PAN Card**”) issued by the Income Tax Department;
- (f) Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

## 8.2 How to bid

Eligible Investors should refer the SEBI master circular dated May 22, 2024, bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54 (“**SEBI Master Circular**”) for issuance of debt securities on private placement basis through an electronic book mechanism as available on web site of the relevant stock exchange. Eligible Investors will also have to complete the mandatory KYC verification process. Eligible Investors should refer to the EBP Guidelines of the relevant stock exchange. The Application Form will be filled in by each Investor. Applications for the Debt Securities must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English as per the instructions contained therein.

- (a) The details of the Issue shall be entered on the EBP platform to be used by the Issuer for the respective Tranche or Issuance within the applicable timelines in accordance with the SEBI Master Circular.
- (b) The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the EBP Platform, before the start of the Issue / Bid Opening Date within the applicable timelines in accordance with the SEBI Master Circular.
- (c) A bidder will enter the bid amount while placing their bids in the EBP Platform.

Some of the key guidelines in terms of the current SEBI master Circular on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

## 8.3 Modification of Bid:

Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, revision of bid is only allowed for improvement of price and/or upward revision of the bid amount placed by the investor.

## 8.4 Cancellation of Bid

Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 (ten) minutes of the bidding period / window, no cancellation of bids is permitted.

## 8.5 Multiple Bids

Eligible Investors are permitted to place multiple bids on the EBP platform in line with the SEBI Master Circular.

## 8.6 Withdrawal of Issue

The Issuer may, at its discretion, may withdraw from the issue process on the following conditions:

- (i) Non receipt of the bids upto the base issue size;
- (ii) Bidder has defaulted on payment towards allotment, within the stipulated time frame, due to which the Issuer is unable to fulfil the base issue size;

- (iii) cut-off yield (i.e. the highest yield at which a bid is accepted) in the issue is higher than the estimated cut-off yield (i.e. the yield estimated by the Issuer, prior to opening of issue) disclosed to the EBP, where the base issue size is fully subscribed.

Disclosure of estimated cut-off yield on the EBP platform to the eligible participants, pursuant to closure of the Issuer.

Provided that, in case an issuer withdraws issues on the EBP platform because of the cut-off yield being higher than the estimated cut-off yield, the EBP shall mandatorily disclose the estimated cut-off yield to the eligible participants.

However, the Eligible Investors should refer to the SEBI Master Circular as prevailing on the date of the bid.

## **8.7 Manner of Bidding**

The Issue will be through book bidding on the EBP platform as mentioned in the section titled 'Issue Details' under this Key Information Document in line with SEBI Master Circular.

## **8.8 Method of Allotment**

The allotment will be done on multiple yield basis in line with SEBI Master Circular.

## **8.9 Right to accept or reject bids**

The Issuer reserves full, unqualified and absolute right to accept or reject any bid(s), in part or in full, without assigning any reason thereof and to make provisional / final allocations at its absolute discretion.

The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (a) Number of Debt Securities applied for is less than the minimum application size;
- (b) Application money received not being from the Issuer account of the person/entity subscribing to the Debt Securities or from the Issuer account of the person/ entity whose name appears first in the Application Form, in case of joint holders;
- (c) Issuer account details of the Applicants not given;
- (d) Details for issue of Debt Securities in dematerialized form not given;
- (e) PAN/GIR and IT circle/Ward/District not given;
- (f) In case of applications under power of attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Debt Securities applied for is/ are not allotted in full, the excess application monies of such Debt Securities will be refunded, as may be permitted.

## **8.10 How to fill the Application Form**

- (a) Applications should be for the number of Debt Securities applied by the Applicant. Applications not completed in the said manner are liable to be rejected.
- (b) The name of the applicant's bank, type of account and account number must be filled in the Application Form.

- (c) The Applicant or in the case of an application in joint names, each of the Applicant, should mention his/her PAN allotted under the Income -Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the certificates. Hence, the investor should mention their PAN/GIR No. Application Forms without this information will be considered incomplete and are liable to be rejected.
- (d) All applicants are requested to tick the relevant column “Category of Investor” in the Application Form. Public/ private/ religious/ charitable trusts, provident funds and other superannuation trusts and other investors requiring “approved security” status for making investments. These are not approved securities as defined under the Insurance Act, 1938.

Applications should be for the number of Debt Securities applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant’s bank, type of account and account number must be filled in the Application Form. This is required for the applicant’s own safety and these details will be printed on the refund orders and interest/ redemption warrants.

For further instructions about how to make an application for applying for the Debt Securities and procedure for remittance of application money, please refer to the Issue Details and the Application Form.

#### **8.11 Terms of Payment**

The full-face value of the Debt Securities applied for is to be paid along with the Application Form. Eligible Investor(s) need to send in the Application Form and the details of NEFT/RTGS for the full value of Debt Securities applied for.

#### **8.12 Force Majeure**

The Issuer reserves the right to withdraw the Issue prior to the Issue / Bid Closing Date in accordance with the SEBI Master Circular, in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise.

#### **8.13 Who can apply**

The Eligible Investors as identified under this Key Information Document to be issued by the Issuer for the respective Tranche. The bidders should be registered/enrolled with the relevant EBP Platform. All the registered and eligible participants are required to update the necessary bank account and demat details before participating in the bidding process on relevant EBP Platform.

#### **8.14 Application Procedure**

Eligible Investors may apply through the relevant EBP Platform through electronic book mechanism in line with the SEBI Master Circular, as amended from time to time.

The settlement procedure shall be in accordance with the SEBI Master Circular read with relevant EBP Guidelines:

- (a) Pay-in towards the allotment of Debt Securities shall be done from the account of the bidder to whom allocation is to be made;
- (b) Pay in shall be done through clearing corporation as intimated by the EBP to the bidder.

#### **8.15 Applications under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the

Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an Application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

#### **8.16 Application by Mutual Funds**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

#### **8.17 Application by Provident Funds, Superannuation Funds and Gratuity Funds**

The applications must be accompanied by certified true copies of

- (a) Trust deed / bye laws /resolutions
- (b) Resolution authorizing investment
- (c) Specimen signatures of the authorized signatories

Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate issued by the Income Tax officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

#### **8.18 Acknowledgements**

No separate receipts will be issued for the application money. However, the Issuer receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

#### **8.19 Basis of allocation**

The Debt Securities shall be allocated in accordance with applicable SEBI regulations, the provisions of the SEBI Master Circular of the Stock Exchange and other Applicable Laws.

#### **8.20 Date of Subscription**

The Date of Subscription shall be the date of realization of proceeds of subscription money in the Designated Bank Account of relevant clearing corporation.

## 8.21 Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of the Issuer or by a Magistrate/ Notary Public under his/her official seal.

## 8.22 Nomination Facility

Only individuals applying as sole applicant/joint applicant can nominate, in the prescribed manner, a person to whom his Debt Securities shall vest in the event of his death. Non-individuals including holders of power of attorney cannot nominate.

## 8.23 Eligible Investors

All Eligible Investors (as identified under this Key Information Document) are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debt Securities.

**Note:** Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

## 8.24 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/ CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debt Securities in Electronic/Dematerialised Form".
- (c) Debt Securities allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debt Securities, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debt Securities in Electronic/ Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debt Securities, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Holders whose names appear on the list of beneficial owners maintained by the Registrar as on the Record Date. In case of those Debt Securities for which the beneficial owner is not identified in the records of the Registrar as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by



the Registrar and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

#### **8.25 Depository Arrangements**

The Issuer has made necessary depository arrangements with NSDL and CDSL for the Issue and holding of Debentures in the dematerialised form by investors. In this context, the Issuer has signed tripartite agreements as under:

- (a) Tripartite Agreement between the Issuer, the Registrar and Transfer Agent and NSDL for offering Depository option to the investors.
- (b) Tripartite Agreement between the Issuer, the Registrar and Transfer Agent and CDSL for offering Depository option to the investors.

#### **8.26 Documents to be provided by Investors**

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed/Statute (in case of a statutory body);
- (b) Resolution authorising investment
- (c) Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds and Foreign Portfolio Investors)
- (f) Government notification (in case of primary co-operative Issuer and regional rural Issuers);
- (g) Form 15 AA for investors seeking exemption from Tax deduction at source from interest on the application money
- (h) Copy of PAN card, if any; and
- (i) Application Form (including RTGS/ NEFT details)

#### **8.27 Applications to be accompanied with Bank Account Details**

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank.

#### **8.28 List of Beneficial Owners**

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of the Redemption Premium and Redemption Amount, as the case may be.

#### **8.29 Succession**

In the event of winding-up of the holder of the Debt Security(s), the Issuer will recognize the executor or administrator of the concerned Holder(s), or the other legal representative as having title to the Debt Security(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debt Security(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debt Security(s) standing in the name of the concerned Holder on production of sufficient documentary proof and/or an indemnity.

### **9. OTHERS**

- (a) **Right of holder(s)**

Holder is not a shareholder. The Holders will not be entitled to any rights and privilege of shareholders other than those available to them under statutory requirements. The Debt Security(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of the Issuer. The principal amount and interest on the Debt Securities will be paid to the registered Holders only and in case of Joint Holders, to the one whose name stands first.

Besides the above, the Debt Securities shall be subject to the provisions of the terms of this Issue and the other terms and conditions as may be incorporated in the Debenture Trustee Appointment Agreement and other documents that may be executed in respect of these Debt Securities.

**(b) Modification of Rights**

The rights, privileges, terms and conditions attached to the Debt Securities may be varied, modified or abrogated by the Issuer, with the consent, in writing, of those Holders who hold at least three fourth of the outstanding amount of the Debt Securities or with the sanction accorded pursuant to a special resolution passed at a meeting of the Holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Debt Securities, if the same are not acceptable to the Issuer.

Further, the Issuer shall be entitled (without obtaining a prior approval from the Holders) to make any modifications in Key Information Document which in its opinion is of a formal, minor or technical nature or is to correct a manifest error.

**(c) Future Borrowings**

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ bonds/other securities in any manner by creating a charge on any assets, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents, provided stipulated security cover is maintained on the bonds and after obtaining the consent of, or intimation to, the Bond Holders or the Debenture Trustee and compliance with other terms of the Transaction Documents.

**(d) Notices**

All notices to the Holder(s) required to be given by the Issuer or the Trustee from time to time, shall be deemed to have been given if sent by registered post/ by courier/by email to the sole/ first holder or the sole/ first Beneficial Owner of the Debt Securities or registered email id of such holder, as the case may be, or if published in Mumbai.

All notice(s) to be given by the Holder(s) shall be sent by registered post or by hand delivery to the Issuer to the following address:

Managing Director, APMDC,  
# 294/1D, 100 Feet Tadigadapa to Enikepadu Road,  
Tadigadapa, Vijayawada – 521137, Andhra Pradesh

**(e) Minimum subscription**

Minimum subscription of INR 9 lakhs (comprising 1 Bond of INR 1 lakh face value in each Sub-Series A to I) and in multiples thereof.

**(f) Underwriting**

The issue is not underwritten. Hence, not applicable

(g) **Letter(s) of Allotment / Debt Securities Certificate(s) /Refund Order (s)/Issue of Letter(s) of Allotment**

The Issuer shall allot the Debt Securities in dematerialized form within 1 (one) working days from the Deemed Date of Allotment and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period.

(h) **Issue of Debt Securities Certificate(s)**

The Issuer shall allot the Debt Securities in dematerialized form within 1 (one) working days from the Deemed Date of Allotment and ensure completion of all statutory formalities as required for such dematerialized credit within the said time period. The Debt Securities since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other Applicable Laws and rules notified in respect thereof. The Debt Securities shall be allotted in dematerialized form only.

(i) **Trading of Debt Securities**

The marketable lot for the purpose of trading of Debt Securities shall be 1 (one) Debt Security of face value of INR 1,00,000/- (Indian Rupees one lakh each. Trading of Debt Securities would be permitted in demat mode only in standard denomination of INR 1,00,000/- (Indian Rupees one lakh only) and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Debt Securities which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

(j) **Mode of Transfer of Debt Securities**

The Debt Securities shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the CDSL/NSDL/Depository Participant of the transferor/transferee and any other Applicable Laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debt Securities held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

Transfer of Debt Securities to and from NRIs/ OCBs, in case they seek to hold the Debt Securities and are eligible to do so, will be governed by the prevailing guidelines of RBI.

(k) **Common Form of Transfer**

The Issuer undertakes that it shall use a common form/procedure for transfer of Debt Securities issued under terms of this Key Information Document.

(l) **Interest on Application Money**

Not applicable.

(m) **Interest on the Debt Securities**

The face value of the Debt Securities outstanding shall carry interest at the Coupon Rate from deemed date of allotment and the Coupon Rate & frequency of payment (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned at summary term sheet.

Interest or other benefits with respect to the Debt Securities would be paid to those Investors whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the Record Date. In case the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer and such amount shall be paid within 15 (fifteen) working days of the date of receipt of such intimation. The Issuer will not pay interest or any amount in whatever name for the intervening period from Record Date to the actual date of payment of interest,

The interest payment shall be made through electronic mode to the Holders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the record date fixed by Issuer in the bank account which is linked to the demat of the Holder.

However, in absence of complete bank details i.e. correct/updated bank account number, IFSC/RTGS code /NEFT code etc., the Issuer shall not be liable for any additional costs or interest on account of delay. Further, in such cases the Issuer shall make payment through cheques / DDs on the due date at the sole risk of the Holders.

**(n) Right to further issue under the ISINs**

The Issuer reserves right to effect multiple issuances under the same ISIN in accordance with the SEBI Debt Regulations. The Issue can be made either by way creation of a fresh ISIN or by way of issuance under the existing ISIN at premium, par or discount as the case may be in line with the SEBI Debt Regulations.

**(o) Right to Re-purchase, Re-issue or Consolidate the Debt Securities**

The Issuer will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debt Securities from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to Applicable Law and in accordance with the applicable guidelines or regulations, if any.

In the event of a part or all of the Issuer's Debt Securities being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have and shall be deemed always to have had, the power to re-issue the Debt Securities either by re-issuing the same Debt Securities or by issuing other debt securities in their place. The Issuer shall have right to consolidate the Debt Securities under present series in accordance with Applicable Law.

Further the Issuer, in respect of such re-purchased or re-deemed Debt Securities shall have the power, exercisable either for a part or all of those Debt Securities, to cancel, keep alive, appoint nominee(s) to hold or re-issue at such price and on such terms and conditions as it may deem fit and as permitted under the ISIN circulars or by laws or regulations.

**(p) Deduction of Tax at Source**

All payments to be made by the Issuer to the Holders under the Transaction Documents shall be made free and clear of and without deduction for or on account of taxes, except as required under the Income Tax Act, 1961, in the case of payment of interest under any Transaction Document or any interest to be paid on the withheld premium or any other amount payable in relation to the Debt Securities, as applicable. Provided that, the Issuer within the time stipulated under Applicable Laws delivers to the Trustee/ Holders tax withholding or tax deduction certificates in respect of such withholding or deduction made in any Fiscal Year, evidencing that such deducted taxes or withholdings have been duly remitted to the appropriate Governmental Authority.

If the Issuer is required to make a tax deduction, it shall make that tax deduction, and any payment required in connection with such tax deduction within the time allowed and in the minimum amount required by Applicable Law.

**(q) Deemed Date of Allotment**

All benefits under the Debt Securities including payment of interest will accrue to the Holders from and including the respective Deemed Date of Allotment. The actual allotment of Debt Securities may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date/pay-in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre -pond/ postponed) by the Issuer at its sole and absolute discretion.

(r) **PAN Number**

Every applicant should, if applicable, mention its Permanent Account Number (“**PAN**”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

**10. DISPUTES & GOVERNING LAW**

The Debt Securities are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the sole jurisdiction of courts of Vijaywada, Amravati and Mumbai.

**11. DISCLOSURES PERTAINING TO WILFUL DEFAULT (IF ANY)**

**In case of listing of debt securities made on private placement, the following disclosures shall be made:**

- (a) Name of the bank declaring the entity as a wilful defaulter: NIL
- (b) The year in which the entity is declared as a wilful defaulter: NIL
- (c) Outstanding amount when the entity is declared as a wilful defaulter: NIL
- (d) Name of the entity declared as a wilful defaulter: NIL
- (e) Steps taken, if any, for the removal of the director of the Issuer from the list of wilful defaulters: NIL
- (f) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL
- (g) Any other disclosure as specified by the Board of the Issuer: NIL

**12. UNDERTAKINGS**

- (a) The Issuer hereby agrees and confirms that the permission or consent to create *pari-passu* charge on the assets of the Issuer has been obtained from the existing creditors/lenders/existing debenture trustee;
- (b) The Issuer hereby undertakes that the assets on which the charge or security has been created to meet the hundred percent security cover or higher security cover is free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.
- (c) The Issuer hereby undertakes that necessary documents for the creation of charge, where applicable, including Debt Security Trust Deed would be executed within time-frame prescribed in the Applicable Laws and the same would be uploaded on website of the designated stock exchange, where the debt securities will be listed.



**13. OTHER DISCLOSURES**

- (a) Debt Securities shall be considered as secured only if the charged asset is registered with sub-registrar and registrar of companies or Central Registry of Securitisation Asset Reconstruction and Security Interest or depository etc., as applicable or is independently verifiable by the Debenture Trustee;
- (b) Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee:

Fees charged by the Debenture Trustee:

For the purpose of this Issue, the Issuer has agreed to pay to the Bond Trustee sums of Rs 4,00,000/- as the one-time acceptance fee and Rs 4,00,000/- as the annuity fee payable per annum. Terms and conditions of appointment of the Debenture Trustee and the due diligence to be carried out by the Debenture Trustee are further specified in the Debenture Trustee Agreement dated 11.03.2025

Details of security to be created: Please refer to Section 14 of this Key Information Document.

The Debenture Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Debenture Trustee by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all Applicable Laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Debenture Trustee. The Debenture Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Companies Act, 2013, SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Debenture Trust Deed, Key Issue Document and all other related Transaction Documents, with due care, diligence and loyalty.

The Debenture Trustee shall be vested with the requisite powers for protecting the interest of holder(s) of the Debentures. The Debenture Trustee shall ensure disclosure of all material events on an on-going basis.

The Debentures shall be considered as secured only if the charged asset is registered with the sub-registrar, registrar of companies, CERSAI or depository, as applicable, or is independently verifiable by the Debenture Trustee.

- (c) Due Diligence Certificate – As per the **Annexure J**

**14. ISSUE DETAILS****Summary of Key Terms**

<b>Issuer</b>	<b>The Andhra Pradesh Mineral Development Corporation Limited (APMDCL/ Company/ Issuer)</b> is a company within the meaning of the Companies Act 2013, wholly owned by State Government of Andhra Pradesh and is primarily engaged in mining and mineral exploration activities.
<b>Security Name</b>	APMDC Bonds 2025-26
<b>Series</b>	Series I – 2025-26
<b>Business Model</b>	APMDCL is the nodal company of the State of Andhra Pradesh and has been granted the rights for mining and exploration of valuable minerals both within and outside the State of Andhra Pradesh.  APMDCL, though fully equipped to carry out integrated mining operations is presently following a model where the mining operations are delegated to

	<p>a selected Mine Developer and Operator (MDO) on a contractual basis after the APMDCL provides them with the mining land free of encumbrances.</p> <p>At present the Company is active in mining Barytes Mineral, along with minor minerals such as Granite, Ball Clay etc. It has also forayed into mining of thermal coal, coking coal, Beach Sand Minerals, Iron ore giving itself a well-diversified product mix.</p> <p>The Company is pursuing an expansion strategy for extraction of minerals from beach sand which has got abundant potential across the State of Andhra Pradesh apart from augmenting its coal mining capacity.</p> <p>The augmentation of capacity for production of minor minerals is being proposed to be implemented through acquisition of quarry leasehold rights and mining rights over 436 new minor mines from the State Government of Andhra Pradesh.</p>
<b>Guarantor</b>	State Government of Andhra Pradesh
<b>Type of Instrument</b>	Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures (“NCD” or “Debentures” or “Bonds”); supported by Unconditional & Irrevocable guarantee from the State Government of Andhra Pradesh (“GoAP”), in the form of a continuing obligation, for the timely servicing of the interest and principal in respect of such Debentures / Bonds.
<b>Nature and status of Bonds</b>	Secured
<b>Seniority</b>	Senior
<b>Issuance Mode</b>	Private Placement
<b>Issue Size</b>	<p>INR 1,999.98 crores with a green shoe option to retain over subscription of INR 6,999.93 crores i.e. aggregate Issue size of INR 8999.91 crores.</p> <p>The Issuer has accepted bids for subscription of Bonds for an aggregate amount of INR 3489,21,00,000 (Indian Rupees Three Thousand Four Hundred Eighty Nine Crores and Twenty One Lakhs only), comprising of a base issue size of INR 1999,98,00,000 (Indian Rupees One Thousand Nine Hundred Ninety Nine Crores and Ninety Eight Lakhs only) along with green shoe option of INR 1489,23,00,000 (Indian Rupees One Thousand Four Hundred Eighty Nine Crores and Twenty Three Lakhs Only).</p>
<b>Option to retain oversubscription (Amount)</b>	INR 6,999.93 crores, out of which issuer has retained over subscription of INR 1489.23 crores.
<b>Issuance in one or more tranches</b>	<p>The aggregate issue size of INR 8999.91 crores as above can be mobilized in one or more tranches by the Issuer. The Bonds issued under each tranche would have inter-se pari-passu status and rights in all respects. However, the interest rate on the different tranches could vary depending upon the coupon discovery at the time of bidding.</p> <p>The State Government has already issued its unconditional &amp; irrevocable guarantee for the entire issue size and as such the said guarantee along with Defined Recourse Mechanism, Security, Escrow and Default Escrow Mechanisms as set out in this term sheet and Transaction Documents shall apply mutatis-mutandis to the Bonds issued under all the tranches within the aggregate amount of INR 9000 crores.</p>

Eligible Investors	(a) Individuals (b) Hindu Undivided Family; (c) trust; (d) limited liability partnerships; (e) partnership firm(s); (f) portfolio managers registered with SEBI; (g) association of persons; (h) companies and bodies corporate including public sector undertakings; (i) scheduled commercial banks; (j) regional rural banks; (k) financial institutions; (l) insurance companies; (m) mutual funds; (n) foreign portfolio investors; and (o) any other investor eligible to invest in the Bonds as per applicable law.																						
Listing	In terms of the SEBI Master circular dated May 22, 2024, the debentures would be listed on NSE within 3 Working Days from the closure of the issue. In the event the Bonds are not listed within the above timeline, the Issuer shall pay additional interest of 1% p.a. over the Coupon Rate for the period of such delay from the date of allotment upto the date of listing.																						
Objects of the Issue	The proceeds from the issue after meeting requirements of creation of debt service reserve and meeting all the issue related expenses would be utilized for the following: a) for prepayment and foreclosure of entire outstanding fund based facilities, by way of loans, that has been availed by the Company from SBI; and b) for payment of consideration to the State Government of Andhra Pradesh towards grant by it to the Company of quarry leasehold rights and mining rights over 436 new minor mineral mines and other corporate purposes.																						
Details of the utilization of the Proceeds	Same as in the “Objects of the Issue”																						
Tenor	2-10 years under 9 different Sub-Series (A to I)																						
Convertibility	Non- Convertible																						
Credit Rating	Provisional IND AA(CE)/Stable from India Ratings and Research and Provisional   ACUITE AA   CE   Stable from Acuite Ratings & Research																						
Maturity	The Issue size of amount not exceeding INR 8,999.91 crores would comprise of 9 Sub-Series (A to I) of sequentially redeemable Bonds in equal quarterly instalments. Each of the Sub-Series A to I would be redeemable in 4 equal quarterly instalments of 2.7777% each of the aggregate issue size with the maturity of Sub-Series A commencing from the end of 5th servicing quarter from the date of allotment. Similarly, redemption of Sub-Series B would commence from the end of 9th servicing quarter and so on as per the cash flow.																						
Redemption Date		<table><tr><th>Sub-Series</th><th>Maturity Date</th></tr><tr><td>A</td><td>Friday, 7 May, 2027</td></tr><tr><td>B</td><td>Tuesday, 9 May, 2028</td></tr><tr><td>C</td><td>Tuesday, 8 May, 2029</td></tr><tr><td>D</td><td>Tuesday, 7 May, 2030</td></tr><tr><td>E</td><td>Friday, 9 May, 2031</td></tr><tr><td>F</td><td>Friday, 7 May, 2032</td></tr><tr><td>G</td><td>Monday, 9 May, 2033</td></tr><tr><td>H</td><td>Tuesday, 9 May, 2034</td></tr><tr><td>I</td><td>Tuesday, 8 May, 2035</td></tr></table>	Sub-Series	Maturity Date	A	Friday, 7 May, 2027	B	Tuesday, 9 May, 2028	C	Tuesday, 8 May, 2029	D	Tuesday, 7 May, 2030	E	Friday, 9 May, 2031	F	Friday, 7 May, 2032	G	Monday, 9 May, 2033	H	Tuesday, 9 May, 2034	I	Tuesday, 8 May, 2035	
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F	Friday, 7 May, 2032																						
G	Monday, 9 May, 2033																						
H	Tuesday, 9 May, 2034																						
I	Tuesday, 8 May, 2035																						
Redemption Premium /Discount	N.A.																						

<b>Issue Price</b>	At Par (INR 1 Lakh) per Bond
<b>Face Value</b>	INR 1 lakh
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	N.A.
<b>Put option Date</b>	N.A.
<b>Put option Price</b>	N.A.
<b>Call Option Date</b>	N.A.
<b>Call Option Price</b>	N.A.
<b>Put Notification Time</b>	N.A.
<b>Call Notification Time</b>	N.A.
<b>Minimum Application and in multiples of Debt securities thereafter</b>	Minimum subscription of INR 9 lakhs (comprising 1 Bond of INR 1 lakh face value in each Sub-Series A to I) and in multiples thereof.
<b>Minimum Subscription for each Investor</b>	Same as mentioned above
<b>Coupon Rate</b>	9.30 % per annum
<b>Coupon Payment Frequency</b>	Quarterly
<b>Coupon Type</b>	Fixed
<b>Day Count Basis</b>	“Actual/ Actual” basis All interest on Refunded Amount, penal interest, interest on application money, delay/ default interest shall be computed on an “actual/actual basis”. Where the period for which such amounts are to be calculated (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis.
<b>Step Up/Step Down Coupon Rate</b>	N.A.
<b>Cumulative / non-cumulative, in case of dividend</b>	NA
<b>Coupon Reset Process</b>	N.A.
<b>Interest on Application Money</b>	Interest at appropriate coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the Application Money for the Debentures from the date of realization of Application Money up-to one day prior to the Deemed Date of Allotment.
<b>Default Interest Rate</b>	<p>a. In the event the security stipulated is not created and perfected within the timelines as stipulated in the column titled ‘Security’, additional interest of 2% (two percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of creation and perfection of the security interest.</p> <p>b. In case of delay in listing beyond 3 (three) Working Days from the Issue Closing Date, the Company will pay additional interest of 1% p.a. over the Coupon Rate to the Debenture Holders from the date of allotment till the listing of Debt Securities.</p> <p>c. Delay in Execution of Trust Deed: In case the Issuer has failed to execute this Deed within the time period specified by SEBI; the Company shall pay additional interest of 2% p.a. (two per cent) per annum (or such other rate as specified by SEBI) over and above the</p>

	Coupon Rate on the face value of the Debentures, from the date of such non-compliance till the date of execution this Deed.
<b>Listed/ unlisted</b>	Listed
<b>Basis of Allotment (if any)</b>	N.A.
<b>Issuance mode of the Instrument</b>	Demat mode
<b>Trading mode of the Instrument</b>	Demat mode
<b>Settlement mode of the Instrument</b>	Payment of Interest and Redemption Amount of the Debentures shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ ECS/ RTGS/ NEFT or any other online payment mechanism allowed by the Banks
<b>Manner Of Allocation</b>	Multiple Yield
<b>Bid Book Type</b>	Closed
<b>Manner Of Settlement</b>	Through NSCCL
<b>Depository</b>	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
<b>Settlement</b>	Demat Only
<b>Effect of holidays</b>	<p>#In terms of the SEBI Master Circular dated May 22, 2024:</p> <p>1. If the interest payment date falls on a holiday, the payment may be made on the following Working Day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</p> <p>2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day that is not a Working Day, the redemption proceeds shall be paid by the Issuer on previous Working Day along with interest accrued on the debentures until but excluding the date of such payment.</p>
<b>Record Date</b>	15 days prior to Redemption Date or Coupon Payment Date as the case may be. In the event the Record Date falls on a day which is not a Working Day, the immediately succeeding Working Day will be considered as the Record Date.
<b>Structure related Covenants of the Issuer</b>	<ol style="list-style-type: none"> <li>Unconditional and Irrevocable Guarantee from State Government of Andhra Pradesh for timely servicing of Interest and Principal in respect of Bonds.</li> <li>Maintenance of Debt Service Reserve Amount (DSRA) to the extent of fully covering the peak servicing requirements for 2 quarters as a liquidity support.</li> <li>Entire revenue of the Issuer from all activities to be collected in a single account – Revenue Collection Account.</li> <li>Stipulation for invocation of Government Guarantee for impairment of DSRA if not remedied within 30 days of stipulated timelines with activation of Defined Recourse Mechanism and ensuring Default Escrow Mechanism on the Revenue Collection Account remaining active till DSRA replenishment gets completed.</li> <li>Stipulation for invocation of Government Guarantee in case of an Event of Default, if settlement of entire liabilities not effected within stipulated timelines with activation of Defined Recourse Mechanism and of the Default Escrow Mechanism on the Revenue Collection Account in the post invocation scenario.</li> </ol>



<b>Revenue Collection Account under Default Escrow Mechanism</b>	<p>The Issuer would be required to open a designated account APMDCL Revenue Collection Account or RCA and ensure through an irrevocable undertaking that the entire revenue of the Issuer accruing from whatsoever activity would be deposited only in this account, either directly or through an irrevocable standing instruction to any other collection account(s) of the Issuer to transfer the entire collection to RCA on a day-to-day basis.</p> <p>The Issuer would need to give an undertaking that any violation of this arrangement including opening of any new account(s) for Revenue Collection under whatsoever condition would be treated as an Event of Default unless the said violation is fully remedied within next 3 Working Days.</p> <p>These undertakings from the Issuer would be an integral part of the Debenture Trust Deed and to be monitored by the Debenture Trustee on a regular basis.</p> <p>The waterfall mechanism of the Revenue Collection Account to be followed would be as below:</p> <ol style="list-style-type: none"> <li>1. Statutory dues and taxes</li> <li>2. Servicing of the bonds (including stipulated monthly transfer to BSA and DSRA replenishment)</li> <li>3. Payment for all operating expenditures</li> <li>4. Payment for all overheads</li> <li>5. Surplus, after meeting the above, can be utilised by the Issuer, after the closure of the concerned financial year, subject to the condition that the DSCR for the relevant financial year is computed and found to be 1.25 or above else the same would need to be transferred to Contingency Reserve Account.</li> </ol> <p>The RCA would be under a Default Escrow Mechanism. The above waterfall would be followed under normal conditions. However, once the Default Escrow Mechanism is enforced, all the revenue getting collected in the RCA would be directly transferred to BSA/DSRA till such time all the liabilities of the issuer in respect of the Bonds are fully met.</p>
<b>Bond Servicing Account (BSA)</b>	<p>The Issuer would be required to open a designated escrow account - “APMDCL BOND SERVICING ESCROW ACCOUNT” or “BSA” exclusively charged to the Debenture Trustee (for the benefit of the Bond holders). All funds for meeting servicing requirements of the Bonds should be credited within a specified timeline prior to the servicing date in the BSA.</p> <p>This would be a regular Escrow Account and all funds in this account would be solely utilised for servicing the Bonds throughout their tenor.</p>
<b>Debt Service Reserve Account (DSRA)</b>	<p>The Issuer would be required to open a designated escrow account - “APMDCL DEBT SERVICE RESERVE ESCROW ACCOUNT” or “DSRA” exclusively charged to the Debenture Trustee (for the benefit of the Bond holders).</p> <p>An amount equivalent to the peak servicing obligation (Interest plus Principal) of the outstanding Bonds for two quarterly payouts (falling due at the end of 5th and 6th quarter from the deemed date of allotment) would need to be maintained by the Issuer in the DSRA and the amount so calculated would need to be deposited on first priority basis out of the issue proceeds.</p>

	<p>Further, as the servicing liability would progressively come down after the peak, the Issuer would be permitted to take out the excess amount of DSRA progressively after obtaining approval of the Debenture Trustee, subject to no unresolved breach of any covenants.</p> <p>The DSRA would be in the form of cash or cash equivalent (deployed in permitted investments) and would remain charged in favour of the Debenture Trustee.</p>
<b>Contingency Reserve Fund</b>	<p>The Company would be required to open a designated escrow account - Contingency Reserve Account (CRA) where no funding is required initially.</p> <p>In the years where the DSCR at the annual computation is found to be below 1.25 times, the surplus (after meeting all expenses and tax payouts) for that particular year would be credited directly from the Revenue Collection Account to CRA without allowing the company to utilise the said surplus.</p> <p>The Company would be free to utilise the annual surplus in the years where the DSCR computed annually is above 1.25 times.</p> <p>However, any amount once transferred and lying in the Contingency Reserve Fund would be released only after DSCR remains at or above 1.25 times for minimum 2 consecutive years subject to the condition that there is no impairment of DSRA under both the conditions.</p> <p>DSCR would be tested annually at the end of each financial year and would be the ratio of surplus before interest depreciation but after tax to the total servicing obligation for the year (interest plus principal).</p> <p>This transfer of surplus from the Revenue Collection Account and the balance from the CRA as stipulated above would be allowed once at the expiry of the concerned financial year subject to the satisfactory compliance of the conditions aforesaid including completion of annual DSCR computation and the same being found to be above 1.25 times.</p>
<b>Permitted Investments</b>	<p>The funds in BSA, DSRA and CRA till such time being utilized would be allowed to be invested in permitted investments i.e.</p> <ul style="list-style-type: none"> <li>(a) Fixed Deposits with Scheduled Commercial Banks with a minimum Credit Rating of AA, without any restriction on premature encashment whenever called upon and/ or</li> <li>(b) Units of liquid mutual funds or overnight mutual funds and corporate bonds of public sector undertakings, having the highest possible investment grade rating.</li> </ul> <p>These investments are to be charged in favour of the Debenture Trustee.</p> <p>These investments would be made &amp; liquidated by the Debenture Trustee as per the instruction of the Issuer from time to time. However, any investment of funds of BSA, other than in Bank FDs would be compulsorily liquidated by the Trustee on T-3 days, if not liquidated earlier. The investment in Bank FDs, out of funds lying in BSA should have a maturity date at least 1 day prior to the forthcoming Bond servicing date.</p> <p>In case of any shortfall of funds to meet servicing requirement persisting in the BSA on T-10 day, the Debenture Trustee should ensure availability</p>

	<p>of adequate funds to meet such shortfall in cash form in the Contingency Reserve Fund and DSRA, if required, through need-based liquidation of investments/ fixed deposits made from the Contingency Reserve Fund and DSRA, as the case may be.</p>
<b>Structured Payment Mechanism</b>	<p>The Issuer would ensure that on the first Working Day of every quarterly servicing cycle, an amount equivalent to 30% of the requisite servicing amount should get transferred from RCA to the BSA.</p> <p>The Company should further transfer an amount equivalent to 35% of the quarterly servicing requirement both by T-60 and T-30 (i.e. 60 and 30 days prior to the servicing date) to BSA from the RCA so as to ensure full built up of servicing amount payable at-least 30 days prior to the relevant quarterly servicing date (T-30).</p> <p>The Debenture Trustee should independently check whether the requisite amount of funds has been transferred to BSA on the next Working Days in all the above cases and in case of any shortfall in amounts transferred, must immediately enforce the Default Escrow arrangement on RCA, which shall remain in force till the entire built up of the particular cycle gets completed.</p> <p>In the event of Debenture Trustee finding any shortfall during the monitoring on T-29 days, it shall immediately send a written communication to the State Government to provide fund support for meeting the shortfall.</p> <p>A provision in the Guarantee Deed would specifically stipulate a pre-invocation responsibility of the State Government to bridge this shortfall on or before T-9 (Final Funding Date) to prevent any DSRA impairment and consequential invocation of the guarantee.</p> <p>In case the shortfall in BSA still persists on T-5 day, such shortfall would be met by transferring requisite funds firstly from CRA to the extent available and further amount if required from DSRA to BSA. On the due date, the payout would be made to the Bond holders from BSA.</p>
<b>Description regarding Security (where applicable) including type of security (movable /immovable / tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation</b>	<p>The Bonds would be secured by way of:</p> <ol style="list-style-type: none"> <li>1) Exclusive Charge on the Bond Servicing Account and the amount credited therein and which are required to be credited therein, which shall be utilized only for servicing of the bonds on quarterly servicing dates.</li> <li>2) Exclusive Charge on the DSRA and CRA Account and the funds lying there-in.</li> <li>3) Exclusive charge on the Revenue Collection Account and the amount accruing / lying there-in.</li> <li>4) Exclusive Charge by way of hypothecation (along with power of attorney) over quarry leasehold rights and mining rights of 436 identified mines of minor minerals projects granted by the State Government of Andhra Pradesh, including any replacement thereof as well as all cash flows arising therefrom. Valuation of such mining rights would be determined on the basis of the net present valuation of projected future cash flows arising out of the estimated mineral reserves available in such mines.</li> <li>5) Exclusive floating charge, by way of hypothecation over all the current assets of the Company, including receivables, both present and future.</li> <li>6) Unconditional &amp; Irrevocable guarantee from the State Government of Andhra Pradesh ("GoAP"), in the form of a continuing obligation for</li> </ol>

	<p>the timely servicing of the interest and principal in respect of the Debentures / Bonds.</p> <p>The value of quarry leasehold rights and mining rights of 436 identical mines of minor minerals projects, as stated in point 4 is estimated to be of an amount Rs 9637 crores.</p> <p>These accounts would be governed by an Escrow Agreement and the charge on such accounts and Permitted Investments made therefrom will be created through a Deed of Hypothecation in favour of the Debenture Trustee, immediately after allotment of debenture and prior to making application for listing.</p> <p>The above charge would be filed with the office of the concerned Registrar of Companies and Central Registry of Securitisation Asset Reconstruction and Security Interest ("CERSAI").</p> <p>It should be ensured that the value of security at any point of time should be sufficient to provide a cover of at least 1 time on the outstanding liabilities.</p> <p>The Debenture Trustee shall obtain the valuation and security cover certificate of the available Security on a quarterly basis by itself or through its empanelled agency. The Issuer shall also provide security cover certificate from its statutory auditor on a quarterly basis. Further, the Issuer shall submit to the Debenture Trustee the valuation of underlying mineral deposits in the identified mines once in every three years.</p> <p>If the security cover of the assigned charge on the mining rights over the identified mines as per valuation method described above along with funds lying to the credit of the BSA, DSRA, CRA and Revenue Collection Account falls below 1 time, the Issuer shall provide additional security in a form and manner, in consultation with and to the satisfaction of the Debenture Trustee to fully restore the security cover.</p>
<b>Replacement of security, interest to the debenture holder over and above the coupon rate</b>	<p>The Company shall have the right to replace any asset from the security package with another asset of the same or a higher value as acceptable to the Debenture Trustee and shall ensure that the minimum-security cover of 1 time shall be maintained until the redemption of the Bonds.</p>
<b>Permitted Indebtedness</b>	<p>The Issuer would be permitted to raise a maximum debt of INR 9,000 crores through issue of Bonds in one or more series/tranches and no other external senior liability till the DSCR is found to be above 1.5 times. However, there would be a separate limit for availing bank guarantee which would be unconditionally and irrevocably guaranteed by the State Government of Andhra Pradesh and without any recourse to the company. As of now the limit has been fixed at INR 906.52 crores, for which the State Government has given its unconditional and irrevocable guarantee. The Bank Guarantee limit, if required, can be enhanced subsequently subject to the same being unconditionally and irrevocably guaranteed by the State Government of Andhra Pradesh and without any recourse to the company, and furnishing of the relevant guarantee deed to the Debenture Trustee.</p> <p>If DSCR of the Issuer is found to be in excess of 1.50 times at the end of any financial year, it would be allowed to raise further direct liabilities (having recourse to the Company) only as per its requirements from time to time, subject to the condition that the aggregate external direct liability</p>

	<p>(including all forms of guarantee obligations, if provided by the Company) should at all times be restricted to an amount such that the minimum Debt Servicing Coverage Ratio remains atleast 1.50 times throughout the tenure of the Bonds.</p> <p>All direct liabilities raised would enjoy pari-passu status in all respects including but not limited to seniority, State Government guarantee (including Defined Recourse Mechanism), security and servicing priority and circumstances triggering enforcement of Default Escrow Mechanism and Event of Default. However, in the event of any subsequent liability being raised on more favorable terms, the same shall apply, mutatis mutandis to all the series of the Bonds.</p>
<b>Collateral Support Structure</b>	<p>The Bonds would have further collateral support by way of unconditional and irrevocable guarantee from the State Government of Andhra Pradesh, in the form of a continuing obligation for the timely servicing of interest and principal of the Bonds. The Issuer has already paid the necessary fees to the State Government for providing the guarantee.</p> <p>The Guarantee Deed would also provide for necessary fund infusion in the DSRA, in the event of its impairment and in the case of Event of Default, provision of funding to the extent as called upon by the Debenture Trustee through DSRA shortfall/ Event of Default notice, within stipulated timelines, failing which the Debenture Trustee would issue the Guarantee Invocation Notice, for invocation of guarantee.</p> <p>The Guarantee Deed shall also contain a provision stipulating a pre-invocation responsibility of the State Government to bridge the shortfall in the BSA on or before T-9 to prevent any DSRA impairment and consequential invocation of the guarantee.</p> <p>The State Government of Andhra Pradesh has further agreed and confirmed that in case any of the 436 new minor mines are not operational for any reason whatsoever, the State Government of Andhra Pradesh shall undertake all required steps and do all such acts as may be required to replace such relevant non-operational minor mineral mines, with new minor mineral mines which have net present value of future cash flows of such amounts as are not less than the net present value of future cash flows of the relevant non-operational minor mineral mines and undertake all steps for the grant of the quarry leasehold rights and mining rights in respect of such replaced minor mineral mines.</p>
<b>Remedial Action for shortfall due to DSRA impairment</b>	<p>The Debenture Trustee would check the adequacy of funds available in the DSRA on the first day of every quarterly servicing cycle.</p> <p>In the event of any shortfall in DSRA due to impairment on account of transfer of funds to BSA or for any other reason, the Debenture Trustee would send DSRA Shortfall notice to GoAP on the next day stating that if the amount is not fully replenished within the next 30 days, the guarantee would be invoked to the extent of such shortfall along with simultaneous triggering of Defined Recourse Mechanism in the post invocation scenario.</p> <p>The Debenture Trustee should also ensure that the Default Escrow Mechanism on RCA remains in force till all the irregularities including requisite DSRA replenishment get completely remedied.</p> <p>If DSRA is not fully restored at the expiry of aforesaid 30 days, the Debenture Trustee would invoke the guarantee to the extent of such</p>



	<p>shortfall on the next Working Day through issue of Guarantee Invocation Notice, along with simultaneous triggering of Defined Recourse Mechanism in the post invocation scenario.</p> <p>This process of Guarantee invocation, triggering of Defined Recourse Mechanism in the post invocation scenario, can happen multiple times if situation so warrants during the tenure of the Bonds.</p> <p>Defined Recourse Mechanism means that if there is any shortfall in DSRA / BSA upon the expiry of stipulated time period, the Debenture Trustee can invoke the guarantee to the extent of such shortfall, along with triggering of the direct debit mandate issued by the GoAP to the RBI, to request RBI to meet such shortfall from the accounts of the GoAP maintained with it.</p>
<b>Transaction Documents</b>	<ol style="list-style-type: none"> <li>1. Offer Documents – GID, KID and PAS-4</li> <li>2. Debenture Trustee Agreement</li> <li>3. Debenture Trust Deed</li> <li>4. Deed of Guarantee cum Undertaking</li> <li>5. Deed of Hypothecation, along with power of attorney</li> <li>6. Accounts Agreement</li> <li>7. Undertaking by the Issuer for not creating any encumbrance or disposing any of its existing mining rights.</li> <li>8. Relevant Orders issued by the State Government of Andhra Pradesh.</li> </ol> <p>Such other documents as may be specified as transaction documents by the Debenture Trustee.</p> <p>In the event of any discrepancy(ies) amongst the transaction documents, the debenture trust deed would always prevail.</p>
<b>Conditions Precedent to Disbursement</b>	<ol style="list-style-type: none"> <li>1. Receipt by the Debenture Trustee of a copy of the Issuer's Constitutional Documents, each certified to be a true copy of the original, by the Issuer's director or its company secretary.</li> <li>2. Receipt by the Debenture Trustee of a certified true copy of the resolutions of the Board (including any committee thereof) of the Issuer: <ol style="list-style-type: none"> <li>(a) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute the Transaction Documents to which it is a party;</li> <li>(b) appointing the Debenture Trustee;</li> <li>(c) creating the Security over the Secured Properties;</li> <li>(d) authorising a specified person or persons to execute the Transaction Documents to which it is a party on its behalf; and</li> <li>(e) authorizing a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices (including a subscription request certificate) to be signed and/or dispatched by it under or in connection with the Transaction Documents to which it is a party.</li> </ol> </li> <li>3. Receipt by the Debenture Trustee of a certified true copy of the shareholders' resolution of the Issuer, approving the terms of and creation of security(ies) to secure the Bonds, pursuant to Section 180(1)(a) of the Act.</li> <li>4. Receipt by the Debenture Trustee of a certified true copy of the shareholders' resolution of the Issuer, approving the borrowing limits of the Issuer under Section 180(1)(c) of the Act.</li> <li>5. Receipt by the Debenture Trustee of a certified true copy of the shareholders' resolution of the Issuer, approving the issue of the Bonds, on private placement basis, pursuant to the provisions of Sections 42 and 71 of the Act, if applicable.</li> </ol>

	<ol style="list-style-type: none"> <li>6. Receipt by the Debenture Trustee of a specimen of the signature of each person authorised by the resolution referred to in clause 2 above.</li> <li>7. Receipt by the Debenture Trustee of a certificate from the company secretary / an authorised signatory of the Issuer certifying that the borrowing, guaranteeing, or collateralizing of the Bonds (as applicable) and other related amounts under the Transaction Documents would not cause any borrowing, collateralizing, guaranteeing or similar limit (as applicable) binding on the Issuer to be exceeded.</li> <li>8. The Issuer shall have uploaded the Offer Documents, in a form agreed between the Parties, to the satisfaction of the Debenture Trustee, on the EBP platform.</li> <li>9. Execution by the Issuer of the Transaction Documents (other than those required to be executed as Condition Subsequent), and such other documentation as may be required by the Debenture Trustee.</li> <li>10. Receipt by the Debenture Trustee of the provisional rating letters and respective rating rationales from the Rating Agencies, issued to the Issuer in respect of the Bonds.</li> <li>11. Receipt of the consent letter from the Debenture Trustee by the Issuer, and execution of agreement with the Registrar and Transfer Agent and depository.</li> <li>12. Receipt by the Issuer of in-principle approval from the Designated Stock Exchange.</li> <li>13. Receipt by the Debenture Trustee of certified copies of the Government Orders (in English), certified by the Issuer.</li> <li>14. The Issuer shall have submitted to the prospective Bond Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective 'know your client' requirements (including specimen signatures of the authorized signatories).</li> <li>15. Receipt by the Debenture Trustee of evidence that the fees, costs and expenses then due from the Issuer or required for the Issue or execution of the relevant Transaction Documents (including stamp duty for dematerialization of the bonds) pursuant to this Deed have been paid.</li> <li>16. Receipt by the Debenture Trustee of evidence of the Issuer having received the International Securities Identification Numbers (ISIN(s)) in relation to the Bonds.</li> <li>17. Receipt by the Debenture Trustee of evidence the Issuer having filed: <ol style="list-style-type: none"> <li>(i) the board resolution in terms of clause 2 above, and (ii) the shareholders' resolutions in terms of clause 3, 4, and 5 above with the relevant registrar of companies.</li> </ol> </li> <li>18. Receipt by the Debenture Trustee of evidence of the Issuer having opened the Bond Proceeds Account.</li> <li>19. Receipt by the Debenture Trustee of evidence of the Issuer having opened the Accounts.</li> <li>20. Receipt by the Debenture Trustee of a certificate of an authorised signatory of the Issuer, in a form and manner satisfactory to the Debenture Trustee, <i>inter alia</i>, certifying that: <ol style="list-style-type: none"> <li>(a) no Event of Default or potential event of default has occurred and is continuing, and no such event or circumstance will result as a consequence of the Issuer performing any obligation contemplated under the Transaction Documents,</li> <li>(b) there is no material adverse effect, and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect on the Issuer,</li> </ol> </li> </ol>
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	<p>(c) proceeds of the Bonds shall be utilised in accordance with the Transaction Documents,</p> <p>(d) the Issuer is and will be, after issuance of the Bonds, in full compliance with all provisions of the Transaction Documents, its charter, any document to which it is a party or by which it is bound, and any laws applicable to it,</p> <p>(e) no proceedings have been initiated or are pending against the Issuer under the Income Tax Act, 1961, which will have Material Adverse Effect on the Issuer,</p> <p>(f) no notice has been served on the Issuer in terms of Rule 2 of the Second Schedule to the Income Tax Act, 1961, and</p> <p>(g) no material claims have been received in respect of any tax or any other sum payable by the Issuer as a result of completion of any proceedings under the Income Tax Act, 1961.</p> <p>21. Receipt by the Debenture Trustee of a certificate from an independent practicing-chartered accountant under the provisions of the Section 281 of the Income Tax Act, 1961.</p> <p>22. Receipt by the Debenture Trustee of any and all other authorisations, documents / certificates as may be required by the Debenture Trustee.</p> <p>23. Receipt by the Debenture Trustee of a copy of the pre-authorization letter given by the Issuer to Account Bank in respect of the account from which the servicing of the Bonds shall be undertaken.</p> <p>24. Receipt by the Debenture Trustee of the No Objection Certificate(s) (NOC(s)) provided to the Issuer by each of the Existing Identified Lenders, conveying, <i>inter alia</i>, its/their 'no objection' / granting consent to the Issuer borrowing monies by way of the issuance of the Bonds and/or creating Security Interest over the Secured Properties for securing the Secured Obligations, in a form and manner acceptable to the Debenture Trustee.</p> <p>25. The Debenture Trustee shall have provided a copy of the due diligence certificate issued by the Debenture Trustee, submitted to the Designated Stock Exchange in the prescribed format set out in the applicable SEBI Regulations (as amended from time to time).</p> <p>26. Receipt by the Debenture Trustee of the following draft Transaction Documents in agreed form: (i) the Debenture Trust Deed, (ii) Negative Lien Undertaking, and (iii) Deed of Hypothecation (with Power of Attorney).</p> <p>27. Receipt on an undertaking from the issuer that it has issued irrevocable standing instruction in respect of all its banking amount where any collection is taking place to transfer the same to RCA on a daily basis; any violation of this arrangement if not remedied within 3 Working Days would be an Event of Default.</p> <p>28. Receipt by the Debenture Trustee of a copy of the direct debit mandate letter issued by the State Government of Andhra Pradesh to the RBI in accordance with the terms of the Deed of Guarantee cum Undertaking.</p> <p>29. Receipt by the Issuer of the written consent of the Director of Mines and Geology, Andhra Pradesh / relevant Deputy Director of Mines and Geology in charge of the region(s) for the creation of Security Interest by way of the Deed of Hypothecation.</p>
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<b>Conditions Subsequent Disbursement</b> to	<ol style="list-style-type: none"> <li>1. The deposit of the Debt Service Reserve Amount in the Debt Service Reserve Account within 1 (one) day of the Deemed Date of Allotment from and out of the Subscription Amounts, on a first priority basis (i.e., before any other utilisation of the Subscription Amounts for any other purpose), and provision of documentary evidence by way of a copy of the Debt Service Reserve Account statement certified by the Account Bank, confirming that the requisite Debt Service Reserve Amount has been credited to the Debt Service Reserve Account, within 1 (one) day of the Deemed Date of Allotment.</li> <li>2. Execution of the Debenture Trust Deed and Deed of Hypothecation (with Power of Attorney) and creation of charge over the Secured Properties in favour of the Debenture Trustee (for the benefit of the Bond Holders) within 3 (three) Working Days from the Issue Closing Date, and in any event, prior to filing the listing application before the Designated Stock Exchange for obtaining the final listing approval in relation to the listing of Bonds.</li> <li>3. Within 3 (three) Working Days from the date of execution of the Debenture Trust Deed, receipt by the Debenture Trustee of a legal opinion, issued by legal counsel in agreed form.</li> <li>4. Within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation: <ol style="list-style-type: none"> <li>a) filing of Form(s) CHG-9 with the relevant registrar of companies by the Issuer, pursuant to Section 77 of the Act;</li> <li>b) delivery to the Debenture Trustee by the Issuer of the certified true copy of the Form(s) CHG-9 filed by the Issuer, along with an acknowledgement and challan of the same by the relevant registrar of companies;</li> <li>c) delivery to the Debenture Trustee by the Issuer of certified true copy of the certificates of registration of charge issued to the Issuer by the relevant registrar of companies; and</li> <li>d) filing by the Debenture Trustee of the details of the Security created pursuant to the Deed of Hypothecation with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI).</li> </ol> </li> <li>5. No later than 5 (five) Working Days from the Deemed Date of Allotment, the Issuer shall submit evidence of the credit of the Bonds in the specified dematerialized account(s) of each of the Bond Holders.</li> <li>6. Within 30 (thirty) days of the Deemed Date of Allotment, the Issuer shall provide an end use certificate in relation to the utilization of the Subscription Amounts, certified by an independent chartered accountant.</li> <li>7. Within 3 (three) working days of the Issue Closing Date, providing the final listing approval from the Designated Stock Exchange in respect of listing of the Bonds on the wholesale debt market segment of the Designated Stock Exchange.</li> <li>8. Within 7 (seven) days of Deemed Date of Allotment, the Issuer shall provide certified copy of all corporate actions approving and allotting the Bonds.</li> <li>9. Within 2 (two) working days of Deemed Date of Allotment, the Issuer shall credit the Bonds into the dematerialized accounts of the Bond Holders.</li> <li>10. Within 15 (fifteen) days of Deemed Date of Allotment, the Issuer shall enter the name of the Debenture Holders in the Register of Debenture Holders.</li> </ol>
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	<p>11. Within 30 (thirty) days from the Deemed Date of Allotment, the Issuer shall provide evidence of filing of a return of allotment on the issue of the Bonds in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (as amended from time to time) by the Issuer.</p> <p>12. Within 30 (thirty) days from the Deemed Date of Allotment, the Issuer shall provide evidence of maintenance of a complete record of the private placement offers in Form PAS-5 maintained by the Issuer in accordance with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (as amended from time to time).</p> <p>13. Within 15 (fifteen) days from the Deemed Date of Allotment, the Issuer shall have paid all fees, costs, charges and expenses (to the extent such costs, charges and expenses have been incurred in accordance with the relevant agreement) payable to or incurred by the Debenture Trustee, guarantee commission, arranger or advisors and any solicitors, advocates, company secretaries or consultants used by any of them in connection with the issuance and placement of the Bonds, creation and registration of the security interest created pursuant to any Transaction Documents with the relevant registrar(s) of companies, compilation of search/status reports and other similar matters.</p> <p>14. Receipt by the Debenture Trustee of the final rating letter from the Rating Agencies.</p> <p>15. Receipt by the Debenture Trustee, to its satisfaction, of evidence that the RBI has duly acknowledged and agreed to the direct debit mandate letter, within 10 (ten) Working Days from the Deemed Date of Allotment of the Bonds.</p>
<b>Creation recovery of expense fund</b>	The Issuer shall create the Recovery Expense Fund for a maximum limit of INR 25,00,000 (Indian Rupees Twenty-Five Lakh only) in accordance with the SEBI REF Circular with the Stock Exchange.
<b>Event of Default</b>	<p>Customary to a facility to this nature including but not limited to the following:</p> <ol style="list-style-type: none"> <li>Non- payment of any bond servicing obligation on due date.</li> <li>Any failure on behalf of issuer to perform or comply with one or more of its material obligations in relations to the Bonds issued in pursuance of terms and conditions stated in the Offer Documents and Debenture Trustee Agreement which in opinion of the Trustee is incapable of remedy.</li> <li>Breach of contractual agreement given by the State Government if not remedied as mentioned above with 30 (thirty) working days.</li> <li>Failure to honour State Government Guarantee invoked for DSRA replenishment within stipulated timelines.</li> <li>Application for initiation of any insolvency proceedings against the Issuer under any applicable bankruptcy / insolvency / winding up or other similar law (including the IBC) filed anytime during the pendency of the bonds and not stayed or dismissed within 7 (seven) days from the date of such filing.</li> <li>Failure to perform material obligations under Transaction Documents.</li> <li>Breach of State Government Guarantee, Debenture Trust Deed, Disclosure Document, Accounts Agreement, Hypothecation Deed and any other Transaction Documents which in the opinion of the Trustee is incapable of remedy.</li> </ol>



	<p>viii. The occurrence of any event or circumstances which is prejudicial to or imperils or depreciates the Security given to the Debenture Trustee materially;</p> <p>ix. Failure to create and / or perfect Security, Security ceasing to be valid first ranking security or the asset coverage ratio in respect of security falls below 1 time and the same is not replenished within a period of 30 days;</p> <p>x. Supply of misleading information;</p> <p>xi. Issuer ceasing or threatening to carry on its business;</p> <p>xii. The liabilities of the Issuer exceed the assets of the Issuer, indicating the inability of the Issuer to discharge the Secured Obligations;</p> <p>xiii. Expropriation of all or any material assets of the Issuer;</p> <p>xiv. Alteration of constitutional documents of the Issuer in a manner which is prejudicial to the interest of the Bond holders;</p> <p>xv. Any authorization / clearances is not received or is revoked, terminated, withdrawn, suspended, modified, withheld or ceases to be in full force;</p> <p>xvi. It is or becomes unlawful or illegal for the Issuer to perform or comply with any of its obligations under any Transaction Document and such default, if capable of being remedied, is not remedied within 90 (ninety) calendar days;</p> <p>xvii. Issuer/ State Government fails to perform its obligations under the Transaction Documents;</p> <p>xviii. Breach/ non-creation of any Security, within stipulated time frame, unless extended with mutual consent with the Debenture Trustee.</p> <p>xix. Breach of the terms of the Transaction documents and occurrence of any other event, which are likely to result, or which can have/ shall have material adverse effect.</p> <p>xx. Breach of undertaking requiring daily transfer of funds from all collection accounts to RCA if not remedied within 3 days.</p> <p>xxi. Issuer or any of their directors are included in RBI's wilful defaulters (except nominee directors nominated by any financial institution). In case an independent director is included in wilful defaulter list the company shall ensure that the director is replaced promptly.</p> <p>xxii. Rating suspension/ withdrawal by any of the rating agency if not remedied within 90 days.</p> <p>xxiii. Any other conditions as may be stipulated in the Debenture Trust Deed.</p> <p>Except for any specific cure period provided above, the above events shall have a cure period of 30 days, other than for defaults in servicing and non-replenishment of DSRA within stipulated timelines where no cure period shall be provided.</p> <p>For the details of events of default, please refer to the annexures of the Key Information document. The remedies available to the Debenture Trustee upon occurrence of an event of default shall be set out in the Debenture Trust Deed.</p>
<b>Remedies</b>	<p>In the event of occurrence of the EOD mentioned above, the Debenture Trustee shall accelerate the maturity of the bonds and declare all the amounts outstanding on the bonds (including, but not limited to any coupon accrued thereon) and other Secured Obligations as on that day to be immediately due and payable and on the next working day</p> <p>1) Ensure that the Default escrow Mechanism on RCA is in force and the full Revenue collection getting transferred to BSA for meeting default servicing obligation.</p>

	<p>2) Give final notice to the State Government of Andhra Pradesh clearly stating its intention to invoke the Guarantee and enforce its rights under the Deed of Guarantee if the entire accelerated dues as mentioned above are not paid within a period of 30 (Thirty) days from the date of such notice. Upon continuation of such event, beyond the time stipulated above, the Debenture Trustee should invoke the Guarantee of the State Government of Andhra Pradesh on the next working day through issue of Guarantee Invocation Notice and simultaneous triggering of Defined Recourse Mechanism in the post invocation scenario.</p> <p>3) Initiate legal recourse against the Issuer for recovery of dues and undertake all actions and proceedings as may be required for such purposes.</p> <p>4) The invocation of Security and Guarantee as well as enforcement of Default Escrow Mechanism for any default would cover the entire liabilities remaining outstanding in respect of the Bonds pursuant to accelerated redemption as mentioned above.</p> <p>Though both processes might be initiated simultaneously, once the requisite amount of outstanding dues are deposited in the BSA for full and final redemption, the Default Escrow Mechanism on RCA would be relaxed with immediate effect and there would be no further obligation on the Guarantor / Issuer.</p> <p>Prior to invocation of the Guarantee, the obligations with respect to servicing of the Bonds shall be solely upon the Issuer and the liability of the Guarantor shall not be direct but contingent to the terms of invocation set out in the Guarantee Deed. Upon invocation of the guarantee, the Guarantor (State Government of Andhra Pradesh) shall be construed as a principal debtor and would be directly and primarily liable for discharge of the obligations with respect to the Bonds and hence such invoked liability till full extinguishment would become a direct and primary liability of the State Government and shall be treated at par with all other liabilities of the Guarantor.</p>
<b>Provisions related to Cross Default Clause</b>	N.A.
<b>All Covenants of the Issue</b>	<p>The Issuer shall give the following undertakings:</p> <ul style="list-style-type: none"> <li>(i) maintenance of corporate existence.</li> <li>(ii) compliance with applicable laws.</li> <li>(iii) no change of business other than as may be permitted under the terms of the Debenture Trust Deed.</li> <li>(iv) creation of security and maintenance of security cover as per applicable law</li> <li>(v) compliance with information covenants including submission of financial results and providing compliance certificate as agreed under the Debenture Trust Deed</li> <li>(vi) Intimation to the Debenture Trustee prior to undertaking or entering into any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer</li> <li>(vii) to enter into / execute the relevant lease agreement(s) and all other documents, deeds, notices, letters, agreements, declarations, undertakings, instruments and forms as may be required in relation to or in connection with or for the purposes of the quarry leasehold rights and mining rights over the 436 new minor mineral projects, including any replacement thereof,</li> <li>(viii) undertake all steps for receipt of all necessary clearances from relevant authorities (including without limitation, required</li> </ul>

	<p>approvals from the relevant District Mines &amp; Geology Officer (DMGO) / Divisional Mines &amp; Geology Officer (Div. MGO)), as required under the APMMC Rules and other applicable laws.</p> <p>(ix) Compliance with all terms of the Transaction Documents;</p> <p>(x) Listing of Bonds within timelines prescribed under applicable laws;</p> <p>(xi) No modification to the structure of Bonds without prior approvals as required under Applicable Laws;</p> <p>(xii) No wilful defaulter on the Board;</p> <p>(xiii) No modification to the Constitutional Documents which imposes restrictions on the Issuer in complying with its obligations under the Transaction Documents;</p> <p>(xiv) Not to sell, assign, transfer, dispose off its business undertakings or assets or Secured Properties;</p> <p>(xv) No change in financial year end date unless required by law;</p> <p>(xvi) Full disclosure in respect of Use of proceeds in the Offer Documents;</p> <p>(xvii) Not to create any encumbrance without prior approval of the Debenture Trustee except as provided in the Transaction Documents;</p> <p>(xviii) Preservation of corporate existence and status;</p> <p>(xix) not do or voluntarily suffer any act which restricts right to transact its business;</p> <p>(xx) Timely payment of all applicable dues;</p> <p>(xxi) Secured Properties to be adequately insured;</p> <p>(xxii) Intimate Debenture Trustee of all orders, directions, notices of a court or tribunal that may affect the Issue or Secured Properties;</p> <p>(xxiii) Maintenance of Asset Coverage Ratio;</p> <p>(xxiv) Compliance with anti-Bribery and Corruption Law;</p> <p>(xxv) Maintenance of Internal Controls;</p> <p>(xxvi) Information Covenants in compliance with applicable laws and as agreed with the Debenture Trustee as detailed in the Key Information Document;</p> <p>(xxvii) Further Assurances;</p> <p>(xxviii) Additional covenants primarily relating to credit of securities, payment obligations and other covenants relating to the Bonds;</p> <p>(xxix) Pre-authorization to Debenture Trustee to seek redemption payment related details from Account Bank;</p> <p>(xxx) Confirmation that the State Government of Andhra Pradesh will make payments under the Deed of Guarantee cum Undertaking free from any withholding or deduction into the Bond Servicing Account and/or the Debt Service Reserve Account (as the case may be);</p> <p>(xxxi) State Government of Andhra Pradesh shall not amend, withdraw, revoke or alter the written instructions in relation to the defined recourse mechanism;</p> <p>(xxxii) State Government of Andhra Pradesh shall ensure that the all payment instructions provided by the Debenture Trustee under Defined Recourse Mechanism are honoured;</p> <p>(xxxiii) State Government of Andhra Pradesh shall not (i) dissent to the instructions of the Debenture Trustee, and / or (ii) do any action which may prevent the Defined Recourse Mechanism to be undertaken on the instructions of the Debenture Trustee;</p> <p>(xxxiv) Any change in shareholding of the Issuer shall be as per the covenants as per Annexure L of the Key Information Document;</p>
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	<p>(xxxv) Issuer to ensure State Government of Andhra Pradesh complies with all undertakings given by it and covenants applicable to it;</p> <p>(xxxvi) Undertaking by the Issuer that it would not create any kind of encumbrance or dispose in any way, any of the quarry leasehold rights and mining rights that are presently held by it, including those relating to the Sulyari coal mines and the barytes mines.</p> <p>Details of all covenants and undertakings shall be as set out in the annexure(s) of the Key Information Document.</p>
<b>Role and Responsibilities of Trustees</b>	<ol style="list-style-type: none"> <li>1. Conducting diligence of assets offered as security and its continuous monitoring.</li> <li>2. Provide Due Diligence Certificate</li> <li>3. Call for periodical reports from the company</li> <li>4. Inspection of books of accounts, records, registration of the company and the trust property to the extent necessary for discharging claims</li> <li>5. Enforce security in the interest of the debenture holders</li> <li>6. Reporting of the following events to the concerned Credit Rating Agencies: <ol style="list-style-type: none"> <li>(i) Any impairment in DSRA due to utilization for servicing or otherwise</li> <li>(ii) Intimation to the State Government for replenishment of DSRA within 30 days' time</li> <li>(iii) Invocation of State Government Guarantee to replenish DSRA shortfall and activation of defined recourse mechanism</li> <li>(iv) Status of replenishment of DSRA after 5 days of Guarantee invocation</li> </ol> </li> <li>7. Any other responsibilities mentioned in Debenture Trustee Agreement</li> </ol>
<b>Risk factors pertaining to the issue</b>	Please refer to Section 6 of the Key Information Document
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	Subject to applicable law, in case of occurrence of an event of default, the Debenture Trustee shall have the right to exercise such powers as are available to the Debenture trustee under Applicable Law and as substantiated in the Debenture Trust Deed.
<b>Governing Law and Jurisdiction</b>	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Vijayawada/ Amaravati and Mumbai respectively.
<b>Debenture Trustee</b>	Beacon Trusteeship Limited
<b>Registrar</b>	MUFG Intime India Private Limited
<b>Issue Timing</b>	01:00 pm to 04:30 pm
<b>Issue Opening Date</b>	08.05.2025
<b>Issue Closing Date</b>	08.05.2025
<b>Date of earliest closing of the issue, if any.</b>	NA
<b>Pay-in Date</b>	09.05.2025
<b>Deemed Date of Allotment</b>	09.05.2025
<b>Payment Mode</b>	The remittance of Application Money can be made by through electronic transfer of funds through RTGS mechanism for credit as per EBP Process.

## 15. DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in the Issue Document is contrary to the provisions of the regulations/guidelines issued by SEBI and other Applicable Laws, as the case may be. The information contained in the Issue Document is subject to the information available with the Issuer. The extent of disclosures made in the Issue Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Key Information Document contains all information with regard to the Issuer and the Issue, that the information contained in such Issue Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given under section 6 '*General Risks*'.

The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the Issue Document. Any covenants later added shall be disclosed on the relevant stock exchange's website where the Debentures are listed.

The Issuer declares that the credit rating as set out under Section 7.2 is valid as on the date of issuance and listing.



## DECLARATION BY THE AUTHORISED OFFICER OF THE ISSUER

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 6 'General Risks' of this Key Information Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

We, authorized officer of the Issuer hereby confirm and declare that:

- I. The undersigned person authorized by the Issuer hereby attests that:
  - a. Except as stated herein, the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992), Companies Act, 2013 (18 of 2013) and the rules and regulations made thereunder;
  - b. the compliance with the Companies Act, 2013 and the rules and regulations thereunder does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
  - c. the monies received under the offer shall be used only for the purposes and objects indicated in the relevant General Information Document;
  - d. whatever is stated in this Key Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
  - e. The contents of this Key Information Document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein shall also lie with the Board of Directors
  - f. We are duly authorised to attest as per this clause by the board of directors, by a resolution, a copy of which is annexed as an annexure in this Key Information Document.
  - g. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Key Information Document.

Signed for The Andhra Pradesh Mineral Development Corporation Limited



Name: Pravin Kumar, IAS

Designation: Managing Director, FAC

Date: May 08, 2025

**PRAVIN KUMAR, I.A.S.,**  
Managing Director  
The A.P. Mineral Development Corp. Ltd.,  
Corporate Office : #294/1D, 100 Feet Road,  
(Tadigadapa to Enikepadu Road)  
Vijayawada-521 137, N.T.R. District.



Name: Somu Siva Rama Krishna

Designation: Company Secretary & Compliance Officer



**National Stock Exchange Of India Limited**

Ref. No.: NSE/LIST/8997

April 23, 2025

The Company Secretary  
The Andhra Pradesh Mineral Development Corporation Limited  
D.No.6-1-67/19/1 & 67/20, Flat No. 302,  
Super Classic Apartments, Saifabad,  
Lakdikapool, Hyderabad,  
Telangana – 500 004

Dear Sir/Madam,

**Sub.: In-principle approval for listing of Non-Convertible Securities on private placement basis**

This is with reference to your application requesting in-principle approval for General Information Document dated April 22, 2025 for proposed listing of Non-Convertible Securities on private placement basis to be issued in various tranches by The Andhra Pradesh Mineral Development Corporation Limited. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the General Information Document / Key Information Document in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company prints the Disclaimer Clause as given below in the General Information Document / Key Information Document after the SEBI disclaimer clause:

**“As required, a copy of this General Information Document / Key Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter via ref. No.: NSE/LIST/8997 dated April 23, 2025 or hosting the same on the website of NSE in terms of SEBI (Issue And Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

This Document is Digitally Signed

Ref. No.: NSE/LIST/8997

April 23, 2025

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”**

Please note that the approval given by us should not in any way be deemed or construed that the General Information Document / Key Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

The in-principle approval granted by the Exchange is subject to the Issuer submitting to the Exchange prior to opening of the issue and at the time of listing, a valid credit rating letter/rationale covering the total issuance amount under the Key Information Document.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars, and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>

<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

This Document is Digitally Signed



Signer: BANSRI RAKESH GOSALIA  
Date: Wed, Apr 23, 2025 15:47:56 IST  
Location: NSE

Ref. No.: NSE/LIST/8997

April 23, 2025

This in-principle approval shall be valid for a period of one year from the date of opening of the first issue of securities under this General Information Document. Kindly note that such first issue of securities under this General Information Document should be opened within one year from the date of this letter.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

**Yours faithfully,**  
**For National Stock Exchange of India Limited**

**Bansri Gosalia**  
**Senior Manager**

This Document is Digitally Signed



Signer: BANSRI RAKESH GOSALIA  
Date: Wed, Apr 23, 2025 15:47:56 IST  
Location: NSE





**APMDC**

**The Andhra Pradesh Mineral Development Corporation Limited**  
(A Govt. of Andhra Pradesh Undertaking)

Reg. Off. #D.No:6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapul, Hyderabad - 500004.

**THE EXTRACTS OF MINUTES OF 426<sup>TH</sup> BOARD MEETING OF THE DIRECTORS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED HELD ON 21<sup>ST</sup> FEBRUARY, 2025 AT 11.00 AM AT CHAMBERS OF SECRETARY (MINES), BLOCK-IV, A.P. SECRETARIAT, VELAGAPUDI, GUNTUR, ANDHRA PRADESH. ADHRA PRADESH.**

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**Item No. 18**

**To consider a note on approval of issue of non-convertible debentures by way of private placement basis – Reg.**

The Board perused the agenda note and resolved the following:-

**"RESOLVED THAT**, in supersession of the resolution number 4 passed by the Board of directors at their 424th meeting held on January 20th, 2025, wherein the board of directors had approved the issue of senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds of face value of INR 1,00,000 (Rupees One Lakh Only) each, in one or more tranches and/ or sub-series, aggregating Minimum of Rs.5000 Cr. (Rupees five thousand crores only) on private placement basis ("Debentures"/ "NCDs"/ "Bonds") ("Issue") as per the vide G.O.Ms.No. 97 dated 26th December, 2024 and pursuant to Sections 179(3)(c), 42 and 71 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof and the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "**Companies Act, 2013**"), the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time (the "**SEBI NCS Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable laws, if any, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and other relevant provisions of the Companies Act, 2013 or any other applicable laws, and such approvals, sanctions, consents and/or permissions of the Securities and Exchange Board of India ("**SEBI**"), the stock exchanges and/or such other appropriate authorities, institutions or bodies, as the case may be and subject to the consent of the members of the Company, the Board hereby approves the issue of non-convertible debentures in the form of senior, secured, rated, listed,

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redeemable, taxable, non-convertible debentures of the face value of INR 1,00,000 (Rupees One Lakh Only) each, in one or more tranches and/ or sub-series ("**Bonds**" / "**NCDs**" / "**Debentures**"), on private placement basis to identified investors (the "**Issue**"), from time to time, up to a maximum limit of INR 10,000,00,00,000 (Rupees Ten Thousand crores only), and which may be listed on one or more of the recognized stock exchange(s) at such coupon rates and on such terms and conditions in accordance with the SEBI NCS Regulations and any other law, rules, directions issued by the Government or any other regulatory authority, in this regard as may be determined by the persons authorized by the Board for this purpose, from time-to-time.

**RESOLVED FURTHER THAT** the aforesaid issue of Bonds by the Company be secured by way of creating charge over certain identified assets of the Company as stated in the draft term sheet placed before the Board and by an unconditional and irrevocable guarantee extended by the government of Andhra Pradesh (hereafter referred to as the "**Security**").

**RESOLVED FURTHER THAT** the proceeds arising from the proposed issue of Bonds shall be utilised inter alia towards acquisition of mining rights, development of mining infrastructure at large, and if required, for prepayment of existing borrowings and such other objects as determined in the draft term sheet for one or more tranches of the Issue, as placed before the Board.

**RESOLVED FURTHER THAT** Sri R. Kedaranatha Reddy, Executive Director of APMDCL Limited and Sri V V V Phani Kumar, General Manager (F&A) of the Company be and are hereby severally authorized to approve, implement, negotiate, carry out and decide upon, all activities in connection with the Issue, including, but not limited to:

- a. negotiate, modify and approve the terms of the Issue including but not limited to the actual size, timing, pricing, objects, eligible investors and all other terms and conditions of the Issue including coupon rate, yield, retention of over subscription, identification of investors, if any, etc, and to accept any amendments, modifications, variations or alterations thereto and all other related matters, including the determination of the size of the Issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue, if any;
- b. accept and execute any declarations required in connection with general information document, key information document(s) (collectively the "**Issue Documents**") for issue of the Bonds, debenture trustee agreement, debenture trust deed, deed of hypothecation, deed of mortgage, deed of pledge or such other security document as the case may be, power(s) of attorney and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents,

communications, affidavits, applications, letters or any other documents (including those to be filed with the regulatory authorities, if any) ("**Transaction Documents**") and negotiate and agree to/ accept any changes and modifications to the terms and conditions contained in the Transaction Documents (whether before or after the execution of the Transaction Documents) together with all other documents, agreements, instruments, power(s) of attorney letters and writings required in connection with, or ancillary to, the Transaction Documents (the "**Ancillary Documents**") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which the Company is a party as well as to accept and execute any amendments, amendment and restatements or modifications to the Transaction Documents, the Ancillary Documents and other deeds, documents and other writings as and when necessary, including any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board and to take all such further steps as may be required to give effect to the aforesaid resolutions;

- c. negotiate and finalise fees payable to the Debenture Trustee, and all other intermediaries or other parties providing services or otherwise associated with the issue of the Bonds;
- d. make the necessary application for creation of International Securities Identification Number to National Securities Depository Limited or Central Depository Services (India) Limited, for rating letters to the rating agency, and such other applications to all such authorities as may be necessary from time to time for the purpose of issuance of the aforesaid Bonds;
- e. seeking the listing of the Bonds on one or more Indian stock exchange, submitting the listing application to such stock exchange, submitting an application to any stock exchange to act as the Designated Stock Exchange, and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned Stock Exchange(s); and taking all actions that may be necessary in connection with obtaining such listing;
- f. arrange for payment of the applicable stamp duty, notarisation, registration charges and corporate action fees and other fees in respect of the above referred Transaction Documents and also in respect of all other transactions, documents and instruments executed in relation to the Issue;
- g. file with the relevant Registrar of Companies and any other authority(ies), all particulars in respect of the creation of charge/return of allotment or make any other filing as may be required for the issue of the Bonds in accordance with the Companies

Act, 2013 and rules made thereunder, as may be required in the Transaction Documents and the Ancillary Documents with any authority, and/ or any other applicable law(s) as may be required under Applicable Law;

- h. appoint any person(s) as the true and lawful attorney to take all such actions as contemplated herein, for and on behalf of the Company, and to execute any power(s) of attorney granting the authority to such person(s) in this regard;
- i. appoint/ ratify (as the case may be) the appointment of the lead managers, legal counsel, credit rating agencies, registrar and share transfer agents, debenture trustee, bankers to the Issue, professionals and other intermediaries to the Issue in accordance with the provisions of the SEBI NCS Regulations and to remunerate them by way of commission, brokerage, fees or the like and to negotiate, modify, enter into, execute, deliver and register all deeds, contracts, agreements, memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the Issue including the listing of the Bonds on the stock exchange(s) and creation of security for the Bonds;
- j. negotiate, finalize, decide and empanel on electronic bidding platform facilitated by the stock exchanges to facilitate bidding to the identified investors and carry out all necessary activities in this regard;
- k. seek, if required, any approval, consent or waiver from the lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Bonds and creation of security;
- l. approve the materiality policy for the litigations to be disclosed in the Issue Documents, if required;
- m. grant of powers of attorney / authority, if required, to such officers / employees of the Company or of its subsidiary or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the Bonds;
- n. to get the Bonds admitted to National Securities Depository Limited and Central Depository Services (India) Limited, and to execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and to negotiate, finalise and execute or ratify the agreements, undertakings or other writings required, with authorities / agencies for the Issue in the dematerialised form;

- o. appoint the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the SEBI NCS Regulations;
- p. authorize persons for maintenance of a register of holders of the Bonds;
- q. open such banks accounts, demat accounts, with Scheduled Commercial Banks, institutions or agencies as may be required for the Issue;
- r. accept and appropriate of the proceeds of the Issue;
- s. finalization of the date of allotment and finalization of the basis of allotment of the Bonds on the basis of the applications received and to approve and to issue and allot the Bonds and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, credit of Bonds and do all such acts, deeds, matters and things in relation to the allotment of the Bonds;
- t. to appoint independent Chartered Accountant(s), Practising Company Secretary, Statutory Auditors to issue such reports including financial reports/statements for the purpose of Issue;
- u. approve, modify, finalise and adopt the Issue Documents (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines prior to the filing of the relevant Issue Documents with the Stock Exchange(s) where the Bonds are intended to be listed, the Registrar of Companies ("**RoC**") and/or any other statutory or regulatory authority, as may be necessary, and any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board; and
- v. to ratify all deeds, actions and things undertaken by the Company or any of its officials including but not limited to application to one or more regulatory or statutory authority for exemption or any other matter incidental to the proposed Issue.
- w. to do all acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions and to execute on behalf of the Company, such deeds, documents, agreements and writings in this regard as may be necessary; and

**RESOLVED FURTHER THAT** the powers of the Authorized Persons set forth herein above are inclusive and not exclusive, and shall not be deemed to be restricted to, or be constrained by, the provisions of any other part of this resolution so long as the same is in connection with the Bonds.



**RESOLVED FURTHER THAT** Managing Director or any other Directors of the Company or the Authorised Persons, be and are hereby severally authorized also to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the Issue Documents, application form, confirmation of allocation, or issue of the Bonds, debenture trustee agreement, debenture trust deed, deed of hypothecation, deed of mortgage, power of attorney(s) and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) ("**Transaction Documents**") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents ("**Ancillary Documents**") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched under or in connection with the documents to which the Company is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all acts, deeds, matters or things as they may deem necessary or incidental in connection with the Issue from time to time and matters connected therewith.

**RESOLVED FURTHER THAT** a copy of the above resolution, certified to be true by Managing Director or any Director of the Company, be forwarded to concerned authorities for necessary actions."

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**"Certified True Copy"**



**(Pravin Kumar, IAS)**  
Managing Director (FAC)  
DIN NO: 07106418







**APMDC**

**The Andhra Pradesh Mineral Development Corporation Limited**  
(A Govt. of Andhra Pradesh Undertaking)

Reg. Off. #D.No:6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapul, Hyderabad - 500004.

**THE EXTRACTS OF MINUTES OF EXTRAORDINARY GENERAL MEETING OF THE SHARE HOLDERS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED HELD ON 21<sup>ST</sup> FEBRUARY, 2025 AT 12.30 PM AT CHAMBERS OF SECRETARY (MINES), BLOCK-IV, A.P. SECRETARIAT, VELAGAPUDI, GUNTUR, ANDHRA PRADESH. ADHRA PRADESH.**

**Item No.: 1- To approve issue of non-convertible debentures ("Bonds") upto an amount of INR Rs. 10,000,00,00,000 (Rupees ten thousand crores only) in one or more tranches and/ or sub-series on private placement basis, and deciding the terms of the issue - Reg.**

**To consider and, if through fit, to pass with or without modification the following resolution in respect of issue of non-convertible Debenture upto an amount of Rs. 10,000,00,00,000 Crores as Special Resolution**

**"RESOLVED THAT** pursuant to Sections 42, 71 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof and the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 (the "**Companies Act, 2013**"), the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time (the "**SEBI NCS Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable laws, if any, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the overall limits up to which the Board of directors of the Company (hereinafter referred to as the "**Board**", which expression shall deem to include any committee thereof) and subject to the approval of members of the Company under relevant provisions of the Companies Act, 2013, if required, and such approvals, sanctions, consents and/or permissions of the Securities and Exchange Board of India ("**SEBI**"), the stock exchanges and/or such other appropriate authorities, institutions or bodies, as the case may be, the members of the Company do and hereby approve the borrowing of funds by way of issue and allotment of non-convertible bonds in the form of secured/ unsecured, rated/ unrated, listed/ unlisted, redeemable, taxable, non-convertible bonds in one or more tranches and/ or sub-series ("**Bonds**"), on private placement basis to identified investors (the "**Issue**"), from time to time, aggregating up to a maximum limit of Rupees 10,000,00,00,000 (Rupees ten thousand crores only), in one or more tranches and/ or sub-series and which may be listed on one or more of the recognized stock exchange(s) at such coupon rates and on

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the principal terms and conditions (briefly detailed below) as shall be set out in detail in the draft offer documents:

Sl.no	Particulars	Remarks
1	Particulars of offer	Issue and allotment of non-convertible bonds in the form of secured/ unsecured, rated/ unrated, listed/ unlisted, redeemable, taxable, non-convertible bonds, in one or more tranches and/ or sub-series (" <b>Bonds</b> ")), on private placement basis to identified investors (the " <b>Issue</b> "), from time to time, aggregating up to a maximum limit of Rupees 10,000,00,00,000 (Rupees ten thousand crores only), in one or more tranches and/ or sub-series.
2	Object of Issue	As may be decided by the Board
3	Kind of securities offered	Privately placed non-convertible bonds.
4	Basis of justification for the price (including premium, if any) at which the offer or invitation is being made	As may be decided by the Board
5	Name and address of Valuer who performed valuation	Not applicable as the securities proposed to be issued (in multiple issues / tranches) are non-convertible debt instruments.
6	Amount which the company intends to raise by way of such securities	Upto INR 10,000,00,00,000 (Rupees ten thousand crores only)
7	Face Value	As may be decided by the Board
8	Coupon Payment Frequency	As may be decided by the Board
9	Material terms of raising such securities, proposed time schedule, purposes/ objects of offer, contribution being made by the promoters or directors either as part of the offer or separately	Material terms of raising such securities: As may be decided by the Board Proposed Time Schedule/ Tenor: As may be decided by the Board Purpose of offer: As may be decided by the Board Contribution being made by the promoters or directors either as part of the offer or separately: As may be ascertained subsequently
10	Redemption Date and Amount	As may be decided by the Board



**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid Resolution, the Board or any other committee constituted by the Board be and is hereby authorized to take such actions and to give all such directions, or to do all such acts, deeds, matters, and things as may be necessary or desirable in this regard including but not limited to negotiation, discussion and finalization of the detailed terms and conditions of the Bonds Issue, size of Issue, tenor of Issue, interest payment frequency, redemption dates, coupon rate, interest reset procedure, apply to relevant governmental authority or any other authority (ies) as may be required, terms of redemption, arrangers fee, obtain credit ratings, apply to state government for issue of government order, application to any authority for any matter incidental thereto, security with regard to secured Debentures, appointment of intermediaries or such parties on such terms as may be deemed fit and as may be required for the purpose of the Issue and to decide any other terms etc. and to delegate its powers to any committee, director or official of the Company to do any incidental acts for and on behalf of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to engage depositories, registrars, bankers, and other consultants and advisors or such other parties, as may be deemed necessary, for the issue and to remunerate them by way of fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required and as permitted by law.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, the Board be and is hereby authorized to delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this Resolution.”

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**“Certified True Copy”**



**(Pravin Kumar, IAS)**  
Managing Director (FAC)  
DIN NO: 07106418



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**Item No.2: To consider a note on Amendment to Articles of Association of the Company**

**To consider and, if through fit, to pass with or without modification the following resolution in respect of Amendment to Articles of Association of the Company as Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), and the rules framed thereunder and such other consents, intimations or other necessary approvals as may be required for the purpose, the consent of the members of the Company be and is hereby accorded to amend the Articles of Association of the Company in the following manner:

**Insertion of Article 64 (5) in respect of inclusion of right of bond trustee to appoint nominee directors in certain cases**

*“64 (5). Notwithstanding anything contained in this Articles, the Board shall have the power, to appoint a Nominee Director on the Board of the Company in the exercise of its duties under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 read with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (together “SEBI Regulations”), as amended from time to time on receipt of the nomination by the debenture trustee in the following circumstances:*

- i. 2 (two) consecutive defaults in payment of interest to the debenture holders; or*
- ii. Default in the creation of security; or*
- iii. Default in the redemption of the debentures.*



*However, if more than one debenture trustee(s) are entitled to appoint a Director in terms of the SEBI Regulations, all such debenture trustee(s) shall jointly nominate only one person to be appointed as a Nominee Director on the Board of the Company in terms of this Article. The Director so appointed shall not be liable to retire by rotation and shall hold office so long as the default subsists.*

*Any vacancy in the office of such Director during the term shall be filled in by the debenture trustee(s) by nominating another person. Such changes shall be made in writing to the Company."*

**RESOLVED FURTHER THAT** Managing Director or any other Directors of the Company be and is hereby authorized to make consequent changes to the constitutional documents of the Company and to authorize person(s) to do all such acts, deeds and things as may be required to be done in this regard by the Company."

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**"Certified True Copy"**



**(Pravin Kumar, IAS)**

Managing Director (FAC)

DIN NO: 07106418





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**Item No. 3 – To consider a note on Amendment to Memorandum of Association of the Company**

**To consider and, if through fit, to pass with or without modification the following resolution in respect of Amendment to Memorandum of Association of the Company as Special Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 9, Section 13(1) and all other applicable provisions, as applicable, of the Companies Act, 2013 read with the rules framed thereunder and subject to such approvals, consents, permissions and sanctions or intimations as may be required for the purpose, existing clause III (r) be and is hereby deleted in its entirety and be substituted with the following:

*(r) To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such considerations as the Company may think fit, and in particular for shares (fully or partly paid-up), debentures, debenture stock or securities of any other company, whether promoted by this company for the purpose or not, and to account, or otherwise deal with all or any part of the property and rights of the Company; and in order to secure the repayment of any moneys borrowed, raised or owing by mortgage charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance of contracts or obligations undertaken by the Company or any other person on behalf of the Company as the case may be.*

**RESOLVED FURTHER THAT** Managing Director or any other Directors of the Company be and is hereby authorized to make consequent changes to the constitutional documents of the Company and to authorize person(s) to do all such acts, deeds and things as may be required to be done in this regard by the Company.”

**“Certified True Copy”**

**(Pravin Kumar, IAS)**

Managing Director (FAC)

DIN NO: 07106418

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**Item No. 4: To consider a note on authorise the Borrowing of funds by the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 71, 179, 180(1)(a), 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), and the Memorandum and Articles of Association of the Company and as per G.O.M.s. No. 97, dated 26.12.2024 issued by the Government of Andhra Pradesh and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members of the Company be and is hereby granted to the Board of Directors of the Company for borrowing funds, securing loans, advances and/or other obligations, from time to time, on such term and conditions as may be determined by the Board, in any form, from one or more companies, body corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension funds, provident funds, multilateral financial institutions, any entity/entities or authority and authorities or any other persons, whether in India or abroad, and whether by way of cash credit, loans, advances or deposits, bill discounting, issue of debentures / bonds, through private placement or public offer, commercial papers, long/short term loans, suppliers credit, securitized instruments such as floating rate notes, fixed rate notes, syndicate loans, commercial borrowings, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time and/or any other instruments / securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of Companies assets,



licenses and properties, whether immovable or movable and/or any of the undertaking of the Company, notwithstanding that monies to be borrowed including monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, so that the total amount upto which the monies may be borrowed by the Company and outstanding at any time shall not exceed the sum of Rs.15,000 Crores (Rupees Fifteen Thousand Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher, and such borrowings be undertaken on such terms and conditions as the Board of Directors of the Company may determine and consider proper and most beneficial in the interest of the Company, including as and when the said borrowing be undertaken, creation of securities over any or all the assets / undertakings of the Company for securing such borrowings, utilisation of the issue proceeds and all matters connected with or incidental thereto.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to discuss and finalise including but not limited to currency of borrowing, amount, tenure, security, charge on assets, rate of interest, penal interest, repayment terms, etc. and to execute agreements, deeds and other relevant documents and to do all such acts, deeds and things as may be necessary, incidental or ancillary to effect securing the said borrowing, loans, advance and/or other obligations.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to authorize committee(s) or person(s) do all such acts, deeds, matters and things and to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

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**“Certified True Copy”**



**(Pravin Kumar, IAS)**

Managing Director (FAC)

DIN NO: 07106418



**APMDC**

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Reg. Off. #D.No:6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapul, Hyderabad – 500004.

**THE EXTRACTS OF MINUTES OF EXTRAORDINARY GENERAL MEETING OF THE SHARE HOLDERS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED HELD ON 21<sup>ST</sup> FEBRUARY, 2025 AT 12.30 PM AT CHAMBERS OF SECRETARY (MINES), BLOCK-IV, A.P. SECRETARIAT, VELAGAPUDI, GUNTUR, ANDHRA PRADESH. ADHRA PRADESH.**

**Item No. 5: To consider a note on Authorization to create charge, mortgage, hypothecation, etc. on the assets of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the members be and is hereby accorded to the Company to:

- (a) Mortgage, charge, hypothecate, sell, dispose, in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and/ or immovable properties of the Company and/or the interest held by the Company in all or any of the movable or immovable properties, both present and future and/ or the whole or any part of the undertaking(s) of the Company, together with the power to take over management of the business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/ partly convertible debentures / bonds, with or without detachable or non-detachable warrants, and/or secured premium notes and/ or floating rate notes/ bonds, and/or non-convertible debentures / bonds (including without limitation, market linked debentures and covered bonds) and/or other debt instruments, issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013 from time to time together with interest at the respective agreed rates, additional



interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium and prepayment, remuneration of the agent(s) and/ or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in rates of exchange and all other monies payable by the Company in terms of the loan agreement(s), heads of agreement(s), debenture trust deed(s) or any other agreement/ document, entered into/ to be entered into between the Company and lender(s) / investor(s) / agent(s) and/ or trustee(s) in respect of the said loans, borrowing/ debentures / bonds and containing such specific terms and conditions and covenants in respect of enforcement of securities as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and/ or trustee(s) from time to time for a sum of money which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding INR 15,000 Crores (Rupees Fifteen Thousand Crores only) at any point of time; and

- (b) to sell, dispose, transfer any of the movable or immovable properties of the Company in respect of any securitization transaction, any direct assignment transaction, any covered bond transaction, and / or any covered loan transaction.

**RESOLVED FURTHER THAT** sale, lease, mortgage / charge / hypothecation created/to be created and/or all agreements, documents executed, to be executed and all acts done in terms of the above resolution by and within the authority of the Board of Directors be and is hereby confirmed and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to authorize person(s) to sign, execute and submit such applications, undertakings, agreements, writings, deeds and other documents and file necessary forms with Ministry of Corporate Affairs and such authority/s as may be deemed necessary and to delegate all or any of its powers herein conferred to any Committee of Directors and/ or director (s) and/or officer(s) of the Company to give effect to this resolution or expedient to give effect this resolution."

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**"Certified True Copy"**



**(Pravin Kumar, IAS)**

Managing Director (FAC)

DIN NO: 07106418



**44. Related party transactions****A. List of related parties****(% of holding)**

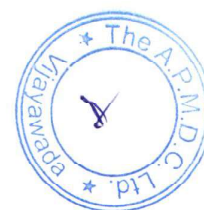
<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Subsidiaries</b>		
Ongoleiron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimexbarite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavaredgranite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

<b>Name of the related party</b>	<b>Relation</b>
AP state fibernet limited Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited	Fellow Government company / Authority



**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii. Amount due (to)/from related parties**

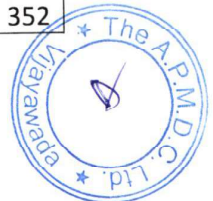
Name of the related party	As at 31-03-2022	As at 31-03-2021
Andhra Pradesh granite (Midwest) private limited	62	840
Pallavared granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2022	As at 31-03-2021
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited	-	237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2022	As at 31-03-2021
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2022	As at 31-03-2021
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352



<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	-

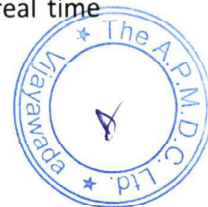
**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.





**44. Related party transactions****A. List of related parties****(% of holding)**

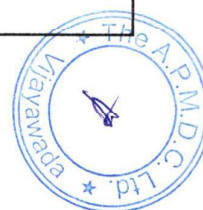
<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

<b>Name of the related party</b>	<b>Relation</b>
AP state fibernet limited Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited	Fellow Government company / Authority



**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii.Amount due (to)/from related parties**

Name of the related party	As at 31-03-2022	As at 31-03-2021
Andhra Pradesh granite (Midwest) private limited	62	840
Pallava red granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2022	As at 31-03-2021
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited	-	237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2022	As at 31-03-2021
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2022	As at 31-03-2021
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352





<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	-

**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.



<b>Other Information</b>				
Segment Assets **	1,57,061	20,426	2,45,974	<b>4,23,461</b>
Segment Liabilities **	85,819	10,616	62,387	<b>1,58,822</b>
Capital work in progress	24	-	1,120	<b>1,144</b>
Depreciation and amortisation	284	110	171	<b>566</b>
Non-cash expense other than depreciation and amortisation	-	-	5	<b>5</b>

#### 44. Related party transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2023	As at 31-03-2022
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	-
Naandhi Granites India Private limited	26.00%	-



**Key Management Personal:**

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited - APSFSL	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,498
Pallavared granite private limited	447

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Andhra Pradesh granite (Midwest) private limited	274	62
Pallavared granite private limited	-	433
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2023	As at 31-03-2022
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
Pallavared granite private limited	-	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2023	As at 31-03-2022
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77





Investment in joint ventures	As at 31-03-2023	As at 31-03-2022
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
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Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	-
Naandhi Granites India Private limited	130	-
<b>Total</b>	<b>409</b>	<b>149</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	As at 31-03-2023	As at 31-03-2022
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	12	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	30,500

**vii. Advance to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Royalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1200	1200



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Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	-
Naandhi Granites India Private limited	26.00%	-

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director





**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited - APSFSL	Fellow Government company / Authority

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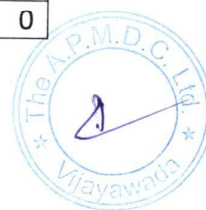
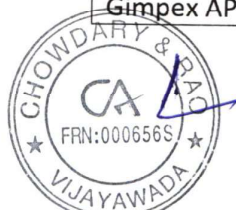
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**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2023	As at 31-03-2022
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Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2023	As at 31-03-2022
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0



Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	-
Naandhi Granites India Private limited	130	-
<b>Total</b>	<b>409</b>	<b>149</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	As at 31-03-2023	As at 31-03-2022
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	12	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	30,500

**vii. Advance to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1200	1200

\*Provision for the doubtful advance is created on the above advances given to the related parties.





Depreciation and amortisation	3,329	886	177	<b>3,516</b>
Non-cash expense other than depreciation and amortisation	-	-	3	<b>3</b>

#### 44. Related party transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2024	As at 31-03-2023
<b>Subsidiaries</b>		
Ongoleiron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	-

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited- APSFSCL The Commissioner SS&LR Department	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,592
Naandhi Granites India Private limited	175
Samyuktha Granite private limited	71
The Commissioner SS&LR Department	27,545

**ii.Amount due (to)/from related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Andhra Pradesh granite (Midwest) private limited	751	274
Naandhi Granites India Private limited	175	-
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	41,757	5,126

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2024	As at 31-03-2023
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2024	As at 31-03-2023
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77





<b>Investment in joint ventures</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	-
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	3	12

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500





**vii. Advance to related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1200	1200
The Commissioner SS&LR Department	10,833	3,098

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations



**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	-

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited- APSFSCL The Commissioner SS&LR Department	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,592
Naandhi Granites India Private limited	175
Samyuktha Granite private limited	71
The Commissioner SS&LR Department	27,545

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Andhra Pradesh granite (Midwest) private limited	751	274
Naandhi Granites India Private limited	175	-
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	41,757	5,126

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2024	As at 31-03-2023
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2024	As at 31-03-2023
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77





<b>Investment in joint ventures</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	-
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	3	12

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500



**vii. Advance to related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Royalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	3,098

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations





**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited- APSFSL The Commissioner SS&LR Department	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

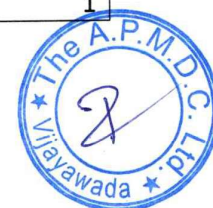
Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1



Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG. Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.





**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagaon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
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SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (01-04-24 to 07-06-24)	Vice Chairman & Managing Director
Dr. N. Yuvaraj (07-06-24 to 24-06-2024)	
Sri Pravin Kumar, IAS (24-06-2024 onwards)	



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited- APSFSCCL The Commissioner SS&LR Department	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

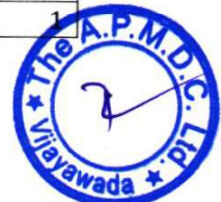
Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyari coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1





Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG. Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Royalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.







The Andhra Pradesh Mineral Development  
Corporation Limited

## **MINES**

### **BARYTES MINES**

Mangampet Barytes Mining & Pulverising Unit  
Mangampet, YSR Kadapa District.

### **CLAY MINES**

Sri Venkateswara Clay Mines,  
Dwarakatirumala,  
West Godavari District.

### **BLACK GRANITE MINES**

Warangal District  
Choutapally  
Nalgonda District  
Venkataramapuram.

### **LIMESTONE MINES**

Piduguralla  
Guntur District  
Devapur  
Adilabad District

### **SEMI-PRECIOUS STONES PROJECT**

Visakhapatnam.



The Andhra Pradesh Mineral Development  
Corporation Limited

## **C O N T E N T S**

**BOARD OF DIRECTORS**

**NOTICE TO SHAREHOLDERS**

**DIRECTOR'S REPORT**

**COMMENTS OF C&AG**

**STATUTORY AUDITORS REPORT ON STANDALONE AS ON 01.04.2015 TO 31.03.2016**

**STANDALONE BALANCE SHEET AS ON 01.04.2015 TO 31.03.2016**

**STANDALONE PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2015 TO 31.03.2016**

**SCHEDULES 1-19 AS ON 01.04.2015 TO 31.03.2016**

**CASH FLOW STATEMENT 01.04.2015 TO 31.03.2016**

**STATUTORY AUDITORS REPORT ON CONSOLIDATION AS ON 01.04.2015 TO 31.03.2016**

**CONSOLIDATED BALANCE SHEET AS ON 01.04.2015 TO 31.03.2016**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2015 TO 31.03.2016**

**SCHEDULES 1-27 OF 01.04.2015 TO 31.03.2016**

**CASH FLOW STATEMENT 01.04.2015 TO 31.03.2016**

**STATEMENT OF FINANCIAL RESULTS FROM 2005-06 TO 2015-16**

## **BOARD OF DIRECTORS**

### **CHAIRMAN:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1) Sri S.S. Rawat, IAS.,            | (from 07-01-2015 to 14-10-2015)    |
| 2) Sri M. Girija Shankar, IAS.,     | (from 14-10-2015 to 11-09-2016)    |
| 3) Sri B. Sreedhar, IAS.,           | (from 12-09-2016 to 08-02-2019)    |
| 4) Sri I. Srinivas Srinaresh, IAS., | (from 08-02-2019 to 14-05-2019)    |
| 5) Sri Anil Chandra Punetha, IAS.,  | (from 15-05-2019 to 31-05-2019)    |
| 6) Sri K. Ramgopal, IAS.,           | (from 19-08-2019 to 01-05-2020)    |
| 7) Sri Gopal Krishna Dwivedi, IAS., | (from 01-05-2020 to 01-08-2021)    |
| 8) Smt G. Shameem Aslam             | (from 02-08-2021 to Till the Date) |

### **VICE-CHAIRMAN & MANAGING DIRECTOR:**

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| 1) Sri M. Girija Shankar, IAS.,     | (from 08-01-2015 to 23-08-2015)    |
| 2) Sri Ch. Venkaiah Chowdary, IRS., | (from 24-08-2015 to 26.06.2019)    |
| 3) Sri Y. Bhanu Prakash, IAS.,      | (from 27-06-2019 to 13-09-2019)    |
| 4) Sri M. Madhusudhan Reddy, IRAS., | (from 16-09-2019 to 20-05-2020)    |
| 5) Sri V.G. Venkata Reddy           | (from 20-05-2020 to 01-06-2020)    |
| 6) Sri Hari Narayanan. M, IAS.,     | (from 02-06-2020 to 01-02-2021)    |
| 7) Sri V.G.Venkata Reddy            | (from 04-02-2021 to Till the Date) |

### **DIRECTORS:**

- |                             |                                 |
|-----------------------------|---------------------------------|
| 1) Sri B.R.V. Susheel Kumar | (from 22-03-2010 to 27-08-2015) |
| 2) Sri J C Sharma           | (from 21-10-2014 to 30-04-2017) |
| 3) Sri Ajeya Kallam         | (from 21-10-2014 to 14-10-2015) |
| 4) Sri Aravind Kumar        | (from 14-05-2015 to 14-10-2015) |
| 5) Sri D.S. Lokesh Kumar    | (from 14-05-2015 to 14-10-2015) |

6) Sri V Saida	(from 14-05-2015 to 14-10-2015)
7) Smt Hema Munivenkatappa	(from 14-10-2015 to 08-09-2017)
8) Sri V. Radha Krishna	(from 14-10-2015 to 31-07-2017)
9) Sri Karikal Valaven	(from 30-04-2017 to 16-07-2017)
10) Sri Durga Prasad Sahu	(from 02-08-2017 to 30-08-2017)
11) Dr. Manmohan Singh	(from 16-07-2017 to 31-10-2019)
12) Dr. K V V Satyanarayana	(from 08-09-2017 Till the date)
13) Smt D. Rama Devi	(from 30-08-2017 to 28-08-2020)
14) Sri I. Srinivas Srinaresh	(from 08-02-2019 to 20-07-2019)
15) Sri K. Ramgopal	(from 20-07-2019 to 03-03-2020)
16) Smt V. Usharani	(from 31-10-2019 to Till the date)
17) Sri V.G. Venkata Reddy	(from 03-03-2020 to Till the date)
18) Sri I. Mohan Rao	(from 29-08-2020 to Till the date)
19) Smt Mala Jayasudha	(from 07-10-2021 to Till the date)
20) Sri C. Harish Reddy	(from 07-10-2021 to Till the date)
21) Smt Marty Lakshmi	(from 07-10-2021 to Till the date)
22) Smt G. Sujatha	(from 07-10-2021 to Till the date)
23) Sri M.Balamuni Reddy	(from 07-10-2021 to Till the date)
24) Smt ES.Salma	(from 07-10-2021 to Till the date)
25) Sri Lingareddy Veera Prathap Reddy	(from 07-10-2021 to Till the date)
26) Sri Bandireddy Bapireddy	(from 07-10-2021 to Till the date)
27) Sri Bathula Rama Rao	(from 07-10-2021 to Till the date)
28) Smt Chilluru Manjusha	(from 07-10-2021 to Till the date)
29) Sri K V Ramana Reddy	(from 07-10-2021 to Till the date)

**COMPANY SECRETARY / GENERAL MANAGER (COMPANY LAW AFFAIRS):**

1) Sri T. Subba Rao  
Company Secretary Retainership

2) Smt M. Prameela Rani  
B.Com., LLB., ICSI  
General Manager (CLA) (from 24-04-2016 to 30-11-2019)

3) Sri R.Manikiran  
Company Secretary on Retainership

**EXECUTIVE DIRECTOR:**

1) Sri H.D. Nagaraja  
Executive Director (from 31-07-2010 to 30-09-2020)

2) Sri R.Kedarnath Reddy  
Executive Director (from 07-10-2021 to Till the date)

**GENERAL MANAGER (F & A):**

1) Sri B. Srinivasa Murthy,  
B.Com., F.C.A., (from 10-03-2008 to 30-04-2021)

2) Sri A.Nageswara Reddy (from 30-12-2021 to Till the Date)

**AUDITORS:**

M/s. Venugopal & Chenoy,  
Chartered Accountants,  
Hyderabad.

**BANKERS:**

- 1) Andhra Bank
- 2) Syndicate Bank
- 3) State Bank of India
- 4) State Bank of Hyderabad
- 5) Indian Overseas Bank
- 6) Union Bank
- 7) ICICI Bank
- 8) Bank of Maharashtra.
- 9) Andhra Pradesh Grameena Bank



**REGISTERED & CORPORATE OFFICE:**

1) D.No.6-1-67/19/1 & 67/20, Flat No.302,  
Super Classic Apartment, Saifabad,  
Lakdikapool,Hyderabad,  
Telangana – 500004, India.

2) Door No.294/1D,  
100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137,  
Andhra Pradesh.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LTD**  
**(A State Government of A.P. Undertaking)**  
Reg. Office: D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic  
Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Corp off: No.294/1D, 100 Feet Kanur to Enikepadu Road, Vijayawada – 521 137,  
A.P  
Tel: 0866 2429999, Fax: +91 40-23393152

### **NOTICE**

#### **To THE SHARE HOLDERS**

Notice is hereby given that 55<sup>th</sup> Adjourned Annual General Meeting of the A.P. Mineral Development Corporation will be held on **03rd January, 2022 at 12.00 Noon** at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Kirhsna District, Andhra Pradesh-521002 to transact the following business:

#### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the audited financial statements (Consolidated & Standalone) of the Company for the year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General of India.

By order of the Board of Directors

Sd/-

(V.G.Venkata Reddy)

Vice-Chairman & Managing Director (FAC)

Date: 31.12.2021

Place: Vijayawada

#### **Note:**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and that the proxy need not be a member of the Company.
- 2) Consent of the Shareholders to convene the 55th Adjourned Annual General Meeting of the Company with a shorter notice required under the provisions of the Sec.101(1) of the Companies Act,2013 is being obtained.

**FORM No. MGT – 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U13209TG1961SGC000871  
Name of the Company : The Andhra Pradesh Mineral Development Corporation Ltd.  
Registered Office : D. No. 6-1-67/19/1 & 67/20, Flat No. 302,  
Super Classic Apartments, Saifabad,  
Lakidkapool, Hyderabad, Telangana.

Name of the Member:

Registered Address:

E-Mail Id:

Folio No / Client Id:

DP ID:

I /We, being the member (s) of \_\_\_\_\_ shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature:

2. Name of the Member:

Registered Address:

E-mail Id:

Signature:

3. Name of the Member:

Registered Address:

E-mail Id:

Signature:

- 2) To consider and adopt the Audited Financial Statements (Consolidated and Standalone) for the financial year ended 31<sup>st</sup> March, 2016 of the Company together with the Board's Report, Auditor's Reports thereon and comments of the Comptroller and Auditor General of India.

As my/our proxy to attend and vote (on apoll) for me/us and on my/our behalf at the 55<sup>th</sup> Adjourned Annual General Meeting of the Company, to held on 03<sup>rd</sup> January 2022, Monday, at 12.00 noon at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Kirhsna District, Andhra Pradesh-521002 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2015 of the Company together with the Board's Report, Auditor's Reports thereon and comments of the Comptroller and Auditor General of India.

Signed this \_\_\_\_\_ day of \_\_\_\_2020

Signature of the Shareholder: \_\_\_\_\_

Signature of the Proxy holder: \_\_\_\_\_

Affix Revenue Stamp
---------------------------

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## **The Andhra Pradesh Mineral Development Corporation Limited**

(A State Government of A.P. Undertaking)

Door No.204/1D, 100 Feet Tadiyadapa to Chintapadu Road, Kakinada - Vijayawada - 521137

Andhra Pradesh. Tel: 0846 - 2429999 Fax: 0846 - 2429977

E-Mail: info@apmde.ap.gov.in . Website: www.apmde.ap.gov.in

### **DIRECTOR'S REPORT**

**To,**  
**The Members,**  
**The Andhra Pradesh Mineral Development Corporation Limited.**

Your Director have pleasure in presenting their 55<sup>th</sup> Annual Report on the business and operation of the company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2016

#### **FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial results for the year ended 31<sup>st</sup> March, 2016 and the corresponding figures for the last year are as under:-

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Profit Before interest, Depreciation & Tax	402,59,06,986	1,74,87,11,938
Less: Finance Cost	56,95,891	46,13,547
Less: Depreciation & Amortization Expense	2,64,95,542	2,93,15,493
Profit before Tax	3,73,64,70,015	1,71,47,82,898
Provision for Tax		
Income Tax (JV)	1,56,76,22,320	57,71,98,652
Deferred Tax	(6,18,47,063)	(35,66,967)
Profit after Tax	2,23,06,94,758	1,14,11,51,213
Less: Proposed Dividend & Tax thereon	1,57,65,500	1,89,17,673
Balance carried to Balance Sheet	1,98,77,13,543	1,12,22,33,540

#### **RESERVE & SURPLUS:**

Out of the total profit of Rs. 2,23,06,94,758/- for the financial year Rs. 22,30,69,475/- amount is proposed to be transferred to the General Reserve

#### **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company done during the year.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.



**DIVIDEND:**

To strengthen the financial position of the Company and to augment working capital your directors regret to declare any dividend. **NIL**

**MEETINGS:**

Four meetings of the Board of Directors were held during the financial year.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As required pursuant to section 135(1) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Corporate Social Responsibilities (CSR) Activities as **(ANNEXURE - V)**.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:****I) JOINT VENTURE COMPANY:****(a) M/S. ANDHRA PHOSPHATE PRIVATE LIMITED**

During the year 2015-16, the company has achieved a turnover of Rs.16.01 Lakhs against the previous year turnover of Rs.65.26 lakhs. The Company registered a Gross loss of Rs.19.66 Lakhs against the previous year's Gross loss of Rs.19.70 Lakhs before taxes and the net loss is Rs.17.84 Lakhs for the year as against the previous year net loss of Rs.18.50 Lakhs.

**II) SUBSIDIARY COMPANIES:****(a) M/s. DAMODHARA MINERALS PRIVATE LIMITED (ANNEXURE - I)**

During the year ending 31<sup>st</sup> March, 2016, the Company has not carried out any Mining activities due to unfavourable conditions existing into market. As a result, the company recorded a net loss of Rs.74,433/- for the year 2015-16 as against Rs.63,550/- for the year 2014-15

The accumulated loss carried to the Balance Sheet up to 31<sup>st</sup> March, 2016 is Rs. 8,75,827.

**(b) M/s. ONGOLE IRON ORE COMPANY PRIVATE LIMITED (ANNEXURE - II)**

During the year the company has not commenced any business operations. The company is in the process of obtaining necessary pre-mining clearances for the project. During the year the company recorded a net loss of Rs. 6,18,647/- for the year 2015-16 as against net loss of Rs.8,71,540/- for the year 2014-15.

The accumulated loss carried to the Balance Sheet up to 31<sup>st</sup> March, 2016 is Rs. 28,12,696/-.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**CHANGES IN SHARES CAPITAL:**

The Company has not issued any Equity Shares during the year under review.

**STATUTORY AUDITORS:**

**venu GOPAL CHENoy (0046718)** Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held were appointed for a period of 1 year until the conclusion of 55<sup>th</sup> Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuring annual general meeting to the conclusion of next annual general meeting.

**AUDITOR'S REPORT:**

The Auditor's Report does not contain any qualification. Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any future comments.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report as **(ANNEXURE - IV)**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

**Details of Loans:**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Companies Act, 2013, is (AS PER SITUATION)

**DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related

party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis, (ANNEXURE – III).

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not received any complain during the year 2015-16.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earning and outgo are as follows:

#### Conservation of energy

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

#### Technology absorption

(i)	the effort made towards technology absorption	Nil
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	Nil
(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. Nil.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:

The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors had prepared the annual accounts on a going concern basis; and

The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

**For and on behalf of the Board of Directors**



(I. Mohan Rao).

Director

**The Andhra Pradesh Mineral  
Development Corporation Limited**



(V.G. Venkata Reddy)

Vice Chairman & Managing Director (FAC)

**Place: Vijayawada**

**Date : 03.01.2022**



**ANNEXURE - I**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

Name of the Subsidiary Company		M/s. Damodhara Minerals Pvt. Ltd.
1)	The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2016
2)	a) paid up Capital of the Subsidiary Company	Rs. 3,71,000/-
	b) No. Of shares held by APMDC with its nominees in the subsidiary	18,921 Equity Shares of Rs. 10/- each fully paid up.
	c) Extent of interest of holding Company at the end of Financial year	51%
3)	The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
	a) Not dealt with in the holding Company's accounts	
	i) For the Financial year of the subsidiary Company	Nil
	ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
	b) Dealt with in the holding company's accounts	
	i) For the Financial year of subsidiary Company	Nil
	ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary.	Nil

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(I. Mohan Rao)

**Director**

  
(V.G. Venkata Reddy)

**Vice Chairman & Managing Director (FAC)**

**ANNEXURE - II**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

Name of the Subsidiary Company	M/s. Ongole Iron Ore Company Pvt. Ltd.
1. The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2016
2. a) paid up Capital of the Subsidiary Company	Rs. 11,00,000/-
b) No. Of shares held by APMDC with its nominees in the subsidiary	56,100 Shares of Rs. 10/- each fully paid up
c) Extent of interest of holding Company at the end of Financial year	51%
3. The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
a) Not dealt with in the holding Company's accounts	
i) For the Financial year of the subsidiary Company	Nil
ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
b) Dealt with in the holding company's accounts	
i) For the Financial year of subsidiary Company	Nil
ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary.	Nil

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(L.Mohan Rao)**

**Director**

  
**(V.G.Venkata Reddy)**

**Vice Chairman & Managing Director (FAC)**

**Annexure - III**

**ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**(CIN: U13209TG1961SGC000871)**  
**FORM NO. AOC -2**

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/ arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A

1) Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts / arrangements / transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board	N.A
f)	Amount paid as advances, if any	N.A

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(I. Mohan Rao)**  
**Director**

  
**(V.G. Venkata Reddy)**  
**Vice Chairman & Managing Director (FAC)**

**ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**[CIN: U13209TG1961SGC000871]**

**Form MGT-9**

**Extract of Annual Return as at the financial year ended on**  
**31.03.2016**

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(i) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U13209TG1961SGC000871
2. Registration Date	24.02.1961
3. Name of the Company	ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED
4. Category/Sub-category of the Company	Government Private Company Limited by Shares
5. Address of the Registered office & contact details	D.No.6-1-67/19/1 & 67/20, Flat No 302 Super Classic Apartments, Safabad, Lakdikapool Hyderabad Hyderabad TG 500004 IN
6. Whether listed company (Yes / No)	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
	Mining	0899	100%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	M/s. Damodhara Minerals Pvt. Ltd.	U14219TG120000PTC033387	Subsidiary	51%	
2.	M/s. Ongole Iron Ore Company Pvt Ltd.	U13100TG2009SGC063631	Subsidiary	51%	

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

(i) Category-wise Share Holding – Total Number of Shares 100%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(i) Indian									
a) Individual/HUF	-	3	3		-	3	3		0
b) Central Govt	-								



c) State Govt (s)	-	63.059	6,30,59,000	99.99	-	63.059	6,30,59,000	99.99	0
d) Bodies Corp.	-								
e) Banks / FI									
f) Any other...	-								
<b>Sub-total (A) (1)</b>	-	63.062	6,30,62,000	100	-	63.062	6,30,62,000	100	0
<b>(2) Foreign</b>									
(a) NRIs Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/ FI									
(e) Any other...									
<b>Sub-Total (A) (2) :-</b>									
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	63.062	6,30,62,000	100	-	63.062	6,30,62,000	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									

a) Mutual Funds	-								
b) Banks / FI	-								
c) Central Govt	-								
d) State Govt.(s)	-								
e) Venture Capital Funds	-								
f) Insurance Companies									
g) FIs	-								
h) Foreign Venture Capital Funds	-								
i) Others (specify)	-								
<b>Sub-total (B)(1):-</b>									

## 2. Non-Institutions

a) Bodies Corp.	-								
i) Indian	-								
ii) Overseas	-								
b) Individuals	-								
i) Individual shareholders holding nominal share capital upto Rs. 1	-								

Lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-								
c) Others (specify)	-								
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)-(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	63,062	6,30,62.00	100	-	63,062	6,30,62,00	100	0
			0			2	0		

**(ii) Share holding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered	

			shares			to total shares
1	Sir B. Sreedhar, IAS Director of Mines & Geology	1		1		Nil
2	Sri Ch. Venkaiah Chowdary Vice-Chairman & Managing Director	1				Nil
3	Sri A. Janardhana Babu Governor of Andhra Pradesh Represented by Asst. Secretary to Govt., Industries & Commerce Dept.,	63,059	99.999	63,059	99.999	Nil
3	Sri T. G. Ganapathi Section Officer, Industries & Commerce Department	1		1		Nil

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

There is no change in the promoter's shareholding during the period under review

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year			
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): At the end of the year		NIL	

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Governor of Andhra Pradesh	63,059	99.999		
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			63,059	99.999
2					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
3					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: specifying the reasons for increase / decrease (e.g. allotment /				



	transfer / bonus/ sweat equity etc.]			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			

## INDEBTEDNESS

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year				
+ Addition	-	-	-	-
+ Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-

(ii) Interest accrued but not due	
<b>Total (i+ii+iii)</b>	

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary	Sri. Ch. Venkataiah Chowdary	Rs. 10,92,881/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Vice Chairman & Managing Director	
	(b) Value of prerequisites u/s 17 (2) of Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commissariat		
	as % of profits		
	others, specify		
5	Others please specify		
	Total (A)		
	Value as per 1961 Act		

### B. Remuneration to other Directors: NIL

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors		

1	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (1)			
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, Please specify			
	Total (2)			
	Total (B)=(1+2)			
	Total Managerial Remuneration			

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD – NIL**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				

	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:- NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
(I. Mohan Rao)  
Director

  
(V.G. Venkata Reddy)  
Vice Chairman & Managing Director (FAC)

Place: Vijayawada

Date: 03.01.2022

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

(CIN: U13209TG1961SGC000871)

**TO THE DIRECTORS' REPORT  
ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITIES (CSR) ACTIVITIES**

[Pursuant to clause (a) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

APMDC ("the Company") has developed its CSR policy, henceforth called "APMDC CSR Policy", in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India.

The objectives of the APMDC CSR Policy are to:

1. To define CSR Projects or Programmes which APMDC plans to undertake and which fall within the preview of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area.
3. Outline Governance mechanism for the CSR activities taken up by APMDC.
4. Mode of implementation of such CSR Projects and Programmes.
5. Monitoring and reporting mechanism of such CSR Projects and Programmes.

APMDC CSR policy is aimed at working along with the community through its focus on:

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kesh set up by the central government for the promotion of sanitation and making available safe drinking water;

- i. Promoting preventive health care
  - a. Provision for operation and treatment for differently disable persons.
  - b. Enabling access to, or improving the delivery of, public health systems



- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- iv. Enduring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund setup by the central government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veteran, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government.
- x. Rural development projects
- xi. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.

**2. Average net profit of the company for last three years : Rs. 3,62,48,77,029/-**

**3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.7,24,96,441/-**

**4. Details of CSR spent during the year.**

(a) Total amount spent on CSR for the financial year 2015-16: Rs.1,11,13,338/-

(b) Total amount to be spent on CSR for the financial year 2015-16: Rs.6,13,83,103/-

(c) Manner in which the amount spent during the financial year 2015-16:

- I. Primary Health Centre Maintenance Expenses
- II. School Maintenance Expenses
- III. RO Plants Maintenance Expenses
- IV. Rural Expenses

**5. In case the Company has failed to spend the two percent:**

During the financial year ended March 31<sup>st</sup>, 2016, the company was required to spend Rs. 7,21,96,441/- towards CSR activities but the Company has spent Rs. 1,11,13,338/- which is lesser than the required amount.

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(I. Mohan Rao)

**Director**

  
(V.G. Venkata Reddy)

**Vice Chairman & Managing Director (FAC)**

**Place: Vijayawada**

**Date: 03.01.2022**



महालेखाकार (लेखापरीक्षा) का कार्यालय  
आंध्र प्रदेश  
Office of the Accountant General (Audit)  
Andhra Pradesh

Lr. No. AG(Audit)/AP/ISC(PSUs)/AA/APMDC/L/2021-22/ 158 Date: 30.12.2021

To  
Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
# D.NO.294, 1/D, 100 Feet, Kunnur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137

Sir,

**Sub: Comments on the Standalone and Consolidated Annual Accounts of  
Andhra Pradesh Mineral Development Corporation Limited for the year  
ended 31 March 2016.**

I am to forward herewith 'NIL' comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 for Standalone and Consolidated financial statements of your Company for the year ended 31 March 2016 for necessary action.

1. The date of placing of 'NIL' comments along with financial statements and Auditors' Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meeting furnished.

2. The date of forwarding the annual report for year ended 31 March 2016 and financial statements of the Company together with the Auditors Report and 'NIL' comments of the Comptroller and Auditor General of India to the State Government for being placed before the Legislature may also be intimated.

3. Five copies of the annual report for the year ended 31 March 2016 may be furnished in due course.

Yours faithfully,

Deputy Accountant General/AMG-II

Encl: As Above

**Annexure I**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL  
DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED  
31 MARCH 2016**

The preparation of financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.06.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

*For and on behalf of the  
Comptroller and Auditor General of India*

Place: Vijayawada  
Date: 30-12-2021

  
(HEMA MUNIVENKATAPPA)  
Accountant General/Audit

## **Annexure-VI**

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of consolidated financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 in accordance with financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 05.06.2021.

I, on behalf of the Comptroller & Auditor General of India, have conducted a supplementary audit of the financial statements of The Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2016 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of Ongole Iron Ore Mining (subsidiary) for the year ended on that date. Further, section 139 (5) and 143 (6)(a) of the Act are not applicable to subsidiary, Jointly Controlled Entities and Associate mentioned in Annexure A, for appointment of their Statutory Auditor and for conduct of supplementary Audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.

This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 143(6)(b) of the Act.

*For and on behalf of the  
Comptroller and Auditor General of India*

**(HEMA MUNIVENKATAPPA)**

**Accountant General /Audit**

**Place: Vijayawada**

**Date: 30.12.2021**





महालेखाकार (लेखापरीक्षा) का कार्यालय  
आंध्र प्रदेश  
Office of the Accountant General (Audit)  
Andhra Pradesh

Lr. No. AG(Audit)/AP/TSC(PSUs)/AA/APMDCL/2021-22/159 Date: 30-12-2021

To  
Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
# D.NO.294, I/D, 100 Feet, Kannur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137

Sir,

Sub: Standalone Annual Accounts of - Andhra Pradesh Mineral Development Corporation Limited  
for the year ended 31 March 2016-Reg.

Ref: 1. Your letter No. Ref No APMDC/VJY/H&A, Annual Accounts/2015-16/21-22 13/18.11.2021

\*\*\*\*\*

The following Provisional comments on the standalone financial statements issued to the company are not pursued on the assurance given by the Management. These may be kept in view while preparation of next year accounts.

**Comments on Disclosure**

**Notes Forming Part of the Financial Statements (Balance Sheet)**

**Share Capital (Note No.1)**

1. The Company did not disclose the fact that original share certificates pertaining to its paid-up share capital are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.

**Non- Current Investment (Note No. 5):**

2. The Company did not disclose the fact that original share certificates pertaining to its investment in the shares of subsidiary companies and for joint venture companies valuing ₹4.40 crore are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.
3. From a review of the investments made by the Company in subsidiary and/or joint venture companies by way of subscription to their equity shares, it was observed that the name of the Company was mentioned as "Andhra Pradesh Mineral Development Corporation Limited" instead of as "The Andhra Pradesh Mineral Development Corporation Limited" in the share certificates of 11 investments (Annexure-I) valued ₹5.01 crores.

**Significant Accounting Policies and Notes forming part of the accounts (Note No. 21)**

**Notes Forming Part of Accounts (Note No. 2)**

**I) Contingent Liability Not Provided for**

4. The above does not include an amount of ₹17.29 crore being the penalty amount levied (September-December 2007) by the Dy. Transport Commissioner, Kadapa for transporting overloads in excess of the capacity of the goods vehicles in violation of the provisions of the Motor Vehicle Act, 1988.

Yours faithfully,

Deputy Accountant General/AMG-II

# ANNEXURE-B

S. No.	Name of the Joint Venture	No. of shares	Face Value of the Shares (in ₹)	Distinctive No.	Remarks
1	M/s Andhra Phosphate (P) Ltd.	1110	1000	1 & 3 to 101 & 201 to 310 & 421 to 1320	Instead of the name of the Company, the shares with distinctive numbers 1 was issued in the name of the nominee of the Company.
2	M/s Ongole Iron Ore Mining Co. Pvt. Ltd.	56,100	10	0053901 to 0110000	
3	M/s Aswani Mineral Development (P) Ltd.	65000	10	7401 to 71000 & 10001 to 72400	Shares with distinctive No. 7401 to 10000 issued in the name of the nominee of the Company
4	M/s Margasree Granites (P) Ltd.	130000	10	10001 to 140000	Name of the company is indicated as "M/s Margasree Granites (P) Ltd." instead of as "M/s Margasree Granites (P) Ltd." in Note No. 5 to the 'Notes forming part of the Balance Sheet'.
5	M/s A.P. Granites (Midwest) P Ltd.	1100000	10	1500001 to 2050000 & 7225001 to 7500000 & 9725001 to 10000000	
6	M/s Alliance A.P. Black Galaxy Granites (P) Ltd.	1100000	10	4450001 to 5000000 & 9822101 to 10000000 & 8010001 to 8382100	In share certificates bearing numbers 4450001 to 5000000, the name was not written correctly.
7	M/s Pallava Red Granites (P) Ltd.	110000	100	186011 to 209000 & 525441 to 575787 & 653338 to 700000	

8	M/s Andhra Baryte Corporation (P) Ltd.	852500	10	2670001 to 3000000 & 7227501 to 7750000	
9	M/s Trumex Barite Private Ltd.	450000	10	3640910 to 4090909	
10	M/s Andhra Pradesh Trihal Mining (P) Ltd.	28600	10	0001 to 28600	
11	M/s A.P. Coastal Sands and Metal Private Limited	13000	10	15001 to 28000	



महालेखाकार (लेखापरीक्षा) का कार्यालय  
आंध्र प्रदेश  
Office of the Accountant General (Audit)  
Andhra Pradesh

Lr. No. AG(Audit)/AP/TSC(PUs)/AA/APMDCL/2021-22/160 Date: 30.12.2021

To  
Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
# D.NO.294, 1/D, 100 Feet, Kunnur to Nidamannur Road,  
Krishna District, Andhra Pradesh - 521 137

Sir,

Sub: Consolidated Annual Accounts of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31<sup>st</sup> March 2016-Reg.

Ref: Your Lr./Ref.No.APMDCL/VJY/F&A/Annual Accounts/2015-16S/21-22 Dt:18.11.2021  
\*\*\*\*\*

The following Provisional comments issued on the Consolidated financial statements to the company are not pursued on the assurance given by the Management. These may be kept in view while preparing next year accounts.

**Comments on Disclosure**

**Notes Forming Part of the Financial Statement (Balance Sheet)**

**Share Capital (Note No.2)**

1. The Company did not disclose the fact that original share certificates pertaining to its paid-up share capital are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.

**Non-Current Investment (Note No.13):**

2. The Company did not disclose the fact that original share certificates pertaining to its investment in the shares of subsidiary companies and /or joint venture companies valuing ₹4.40 crores are not available with them. The same are under the custody of M/s. Telangana State Mineral Development Corporation Limited owing to non-resolving of bifurcation related issues.
3. From a review of the investments made by the Company in subsidiary and/or joint venture companies by way of subscription to their equity shares, it was observed that the name of the Company was mentioned as "Andhra Pradesh Mineral Development Corporation Limited" instead of as "The Andhra Pradesh Mineral Development Corporation Limited" in the share certificates of 11 investments (Annexure-I) valued ₹5.01 crores.

**Significant Accounting Policies and Notes forming part of the accounts (Note No. 28)**

**Notes to Consolidated Financial Statements for the year ended 31 March 2016 (Note No. 11)**

**2) Contingent Liabilities and Commitments**

4. The above does not include an amount of ₹17.29 crore being the penalty amount levied (September/December 2007) by the Dy. Transport Commissioner, Karlapa for transporting overloads in excess of the capacity of the goods vehicles in violation of the provisions of the Motor Vehicle Act, 1988.

--

Yours faithfully,

Deputy Accountant General/AMG-II

Encl: Annexure-B

# ANNEXURE-B

S. No.	Name of the Joint Venture	No. of shares	Face Value of the Shares (in ₹)	Distinctive No.	Remarks
1	M/s Andhra Phosphate (P) Ltd.	1110	1000	1 & 3 to 101 & 201 to 310 & 421 to 1320	Instead of the name of the Company, the shares with distinctive numbers 1 was issued in the name of the nominee of the Company.
2	M/s Ongole Iron Ore Mining Co. Pvt. Ltd.	26,100	10	0053901 to 0110000	
3	M/s Aswani Mineral Development (P) Ltd.	65000	10	7401 to 10000 & 10001 to 72400	Shares with distinctive No. 7401 to 10000 issued in the name of the nominee of the Company
4	M/s Mangasree Granites (P) Ltd	130000	10	10001 to 140000	Name of the company is indicated as "Mrs Mangasree Granites (P) Ltd." instead of a.  "Mrs Mangasri Granites (P) Ltd." in Note No. 5 to the 'Notes forming part of the Balance Sheet'.
5	M/s A.P. Granites (Midwest) P Ltd.	1100000	10	1500001 to 2050000 & 7225001 to 7500000 & 9725001 to 10000000	
6	M/s Alliance A.P. Black Galaxy Granites (P) Ltd.	1100000	10	4450001 to 5000000 & 9822101 to 10000000 & 8010001 to 8382100	In share certificates bearing numbers 4450001 to 5000000, the name was not written correctly.
7	M/s Pallava Red Granites (P) Ltd.	110000	100	1860111 to 209000 & 535441 to 575787 & 653338 to 700000	



8	M/s Andhra Baryte Corporation (P) Ltd	852500	10	2670001 to 3000000 & 7227501 to 7750000	
9	M/s Hindex Baryte Private Ltd.	450000	10	3640910 to 4090909	
10	M/s Andhra Pradesh Tribal Mining (P) Ltd	28600	10	6001 to 28600	
11	M/s A.P. Coastal Sands and Metal Private Limited	13000	10	15001 to 28000	

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members,**  
**The Andhra Pradesh Mineral Development Corporation limited,**  
**Vijayawada.**

### **Report on the Audit on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **The Andhra Pradesh Mineral Development Corporation limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and



fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion on the financial statements.

### **Basis for Disclaimer of Opinion**

- (i) The company has, during the previous year passed entries for "bifurcation" (based on the recommendations of a Committee and as per G.O. issued by the Govt. of A.P.), except w.r.t. Share capital. We are informed that such an exception is based on the agreement between the two companies (APMDC & TSMDC) for which no written document was produced for our verification. Hence, we are not able to comment on the appropriateness of not passing entries for bifurcation of share capital.



- (ii) In the absence of details of total area/ area mined out, we are not able to comment on the appropriateness of the provision for reclamation and rehabilitation expenses of ₹6,00,73,000.(Note No19)
- (iii) The amounts transferred to TSMDC. Consequent to bifurcation are subject to confirmation by them.. Hence we are not able to comment on the following amounts (a) ₹25,80,10,226 (cr) (Demerger adjustment), and ₹40,75,70,870 (cr) ( Interest on FDRs etc allocated to Telangana ) both included in Note 3 (Non current- Other liabilities). (b) ₹15,00,98,047 (dr) (Advance to Telangana region). ₹7,70,01,656 (dr) (Telangana Region Advance( Transfer of assets and Liabilities) and ₹ 31,55,58,083(dr) Demerger adjustment on account of FDRs etc) Included under Note 9(Non-Current Assets)

#### **Disclaimer of Opinion**

In our opinion and to the best of our information and according to the explanations given to us, Except for the effects of the matter(s) described in the Basis for Disclaimer of Opinion paragraphs above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2016;

(b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and

(c) In the case of the cash Flow Statement, of the cash flows for the year ended on that date.

#### **Emphasis of Matter**

(a) We draw attention to Note 21(2)(VI) which describes that the figures of last financial year are not comparable to the current financial year as they show the status of 9 months 29 days (i.e. 02.06.2014 to 31.03.2015).



(b) We draw attention to Note 21(2)(V) which describes that G.O. has not been issued by Govt. of Telangana for giving finality to the Scheme of Bifurcation. Further, as per S.68(2) of the A.P.re-organisation Act,2014," The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in section 53. In terms of the said section, the Govt. of A.P./ Telangana is yet to issue a G.O.

Our opinion is not qualified in respect of the above

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

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Except to the extent stated per paras (i)-(vi) of basis of disclaimer of opinion above
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Except, to the extent stated per paras (i)-(iv) of Basis of Qualified opinion above
  - e. In terms of GSR 463(E) dated 5<sup>th</sup> June, 2015, the provisions w.r.t. Disqualification of Directors u/s 164(2) of companies Act, 2013, are not applicable to APMDC, being a govt. company





- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigations as per Note 20(2) (f) to the Balance Sheet.
- (ii) There are no long-term contracts including derivative contracts entered by the company.
- (iii) There are no amounts which are required to be transferred, to the Investor Education and Protection Fund, by the Company.
- (iv) The company has not complied with the terms of S.124 of the Companies act,2013 w.r.t Unpaid Dividends. Further, in terms of s.123(6) of the said act, the Company cannot pay dividend since the company has violated provisions of S.73 w.r.t. deemed Deposits (Also see para(36) of Annexure 'A' attached)



3. In terms of S.143(5) of the Companies Act,2013, we report hereunder on the directions issued by C&AG:

S.No.	Directions of C&AG	Our Comment
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available	We have not been shown any documents relating to the title to Leasehold property (835.431Hect). Hence, we are not able to comment on the same
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved	There are no cases of Waiver/write off of Debts/loans/interest etc.,during the year
3	Whether proper records are maintained for Inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities	The company is maintaining proper records for Inventories lying with Third parties. The company has not received any assets as Grants/ gift from Government or other authorities

Place: HYDERABAD  
Date : 05.06.2021



For VENUGOPAL & CHENOY,  
CHARTERED ACCOUNTANTS,  
FRN: 0046718

*[Signature]*  
CA. D. Venkata Jenkinath  
Partner

M.No.029505

UDIN: 21029505AAAADI4853

**Annexure A to the Independent Auditors' Report**

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2016, we report that:

(i) In respect of its fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets of Head office and Mangampetbranch. However, there are no records maintained in respect of fixed assets for remaining branches.
- b. In the absence of any laid down procedure, we are not able to comment whether the physical verification of fixed assets has been conducted at reasonable intervals. No material discrepancies were noticed on physical verification, conducted during the year.
- c. The title deeds or legal possession documents of Lands (free hold as well as Leasehold) have not been made available to us. Hence, we cannot comment on this.

(ii) In respect of Inventories:

In our opinion and according to the information and explanation given to us, there are no laid down procedures of physical verification of inventory. Hence, we are not able to comment whether the same have been conducted at reasonable intervals.

The Inventory has been physically verified by the management during the year. The company is maintaining proper records of inventory. No discrepancy has been found on physical verification of inventory as compared to book records.

- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register-maintained u/s.189. Hence, provisions of Para - 3 (iii) (a) to (b) of the Companies (Auditors' Report) Order, 2016, are not applicable



- (iv) There are no Loans or guarantees given by the company that are attracted by the provisions of S.185 and 186 of the Act. The Investment made by the company are in accordance with the provisions of s.186 of the Act.
- (v) The Company has received amounts towards supply of material and which have not been adjusted within a period three hundred and sixty five days .These amounts are thus Deemed Deposits in terms clause 2(xii)(a) of The Companies (Acceptance of Deposit) Rules,2014. Provisions of the following sections of Companies Act,2013 and The Rules framed thereunder have not been complied with S.73-Acceptance of Deposit, R.3(1)(a) Acceptance of Deposit which is repayable on demand, R.3(8)(a) non obtention of Credit rating of its deposits,R.13- regarding Maintenance of Liquid assets,R.14- regarding maintenance of Register of Deposits and rule 16- regarding filing of return of deposits. No order has been passed by Company law Board or National company law tribunal or Reserve bank of India or any court or any other tribunal
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to Rules made by the Central government for maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie* , the prescribed accounts and records have been made and maintained
- (vii) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other statutory dues which were in arrears as at March 31,2016, for a



period of more than six months from the date they became payable, except an amount of ₹---- representing---- dues and ₹202,26,440 Tax on Interim and special dividend are outstanding for a period exceeding six months from the date on which they have become payable

b) According to the information given to us and as per the records of the Company examined by us, there details of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess, outstanding on account of disputes are given hereunder

S.No	Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
1	Income Tax Act		549,46,047	2011-12(A Y)	ITAT	
2	Income Tax Act		110,71,279	2012-13	ITAT	
3	Income Tax Act		27,31,630		CIT(A), Guntur	
4	VAT/Sales Tax	Tax on Explosives- 2 <sup>nd</sup> Sale	287,647 336,253 508,165	1998-99 1999-00 2000-01	Tribunal	
5	VAT/Sales Tax	Tax on Explosives- 2 <sup>nd</sup> Sale- penalty	392,913	2007-08	Tribunal	
6	VAT/Sales Tax	Tax on Explosives- 2 <sup>nd</sup> Sale and consideration Penalty Interest	10,047,014 3,349,005 602,821	2008-09 2008-09 2008-09	Tribunal	
7	VAT/Sales Tax	Consideration Penalty	23,295,681 8,361,030	2009-12 2009-12	Tribunal	





- (viii) The company has no borrowings from financial institution, Bank or dues to debenture holders. The company has not defaulted in repayment of Loans from Government.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of public offer. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated. Accordingly, paragraph 3(x) of the order is not applicable
- (xi) The company is a Government Company In terms of Notification No.463(E) dated June 5,2015 the provisions of S.197 are not applicable. Accordingly, paragraph 3(xi) of the Order us not applicable
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.



**VENUGOPAL & CHENYO**  
Chartered Accountants

4-1-889/16/2, Tilak Road,  
Hyderabad – 500 001.  
Telefax: 24753454, 24753852  
24752853, 24756885  
Email: info@venugopalandchenoy.com

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**Place: HYDERABAD**  
**Date :05.06.2021**

**For VENUGOPAL & CHENYO,**  
**CHARTERED ACCOUNTANTS,**  
**FRN: 0046718**



*V. Venkata Jankinath*  
**C.A.D. Venkata Jankinath**  
**Partner**

**M.No.029505**

**UDIN: 21029505AAAAD14853**

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **The Andhra Pradesh Mineral Development Corporation** ("the Company") as of 31 March 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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



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

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

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

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



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

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

The company needs to document its procedures and controls vis a vis Internal controls Over Financial Reporting.

**Qualified Opinion on adequacy( and therefore operating effectiveness) of Internal Controls Over Financial reporting)**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016;

(1) There is a lack of flow of information vis a vis pending litigation with the result that there is no review of such cases and resulting in repetition of amounts stated per earlier years

A "material weakness" is a deficiency, or a combination of deficiencies, in financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim statements will not be prevented or detected on a timely basis

In our,, except for the effects/ possible effects of the material weaknesses described above on the achievement of objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance





Note on Audit of Internal Financial Controls Over Financial Reporting issued by  
the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in  
determining nature, timing and extent of audit tests applied in our audit of  
financial statements of the company and are not able to comment on the effect  
of such weaknesses on the financial statements of the company

**Place: HYDERABAD**  
**Date: 05.06.2021**

**For VENUGOPAL & CHENYO,**  
**CHARTERED ACCOUNTANTS,**  
**FRN: 0046718**



*V. VenkataJankinath*  
**CA. V. VenkataJankinath**  
**Partner**  
**M. No. 029505**  
**UDIN: 21029505AAAADI4853**



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Esldr 24th Feb., 1961 )

**BALANCE SHEET AS AT 31st March 2016**

	PARTICULARS	Note	As at 31 <sup>st</sup> March 2016		As at 31st March 2015 (02.06.14 to 31.03.15)	
			Rupees		Rupees	
I	<b>EQUITY AND LIABILITIES</b>					
1	<b>SHAREHOLDERS FUNDS</b>					
a	Share Capital	1	6,30,62,000		6,30,62,000	
b	Reserves & Surplus	2	9,17,20,75,567	9,23,51,37,561	6,93,43,03,567	6,99,75,65,567
2	Share application money pending allotment		-	-	-	-
3	<b>Non-Current Liabilities</b>					
a	Long term borrowings		-	-	-	-
b	Deferred tax liability (Net)		-	-	-	-
c	Other Long-term Liabilities	3	2,15,69,33,479		57,29,54,632	
d	Long-term provisions	3	8,03,27,500	2,24,72,60,979	2,02,54,500	59,82,09,132
4	<b>Current Liabilities</b>					
a	Short-term borrowings	3	-	-	15,00,00,000	-
b	Trade payables	3	-	-	-	-
	a) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
	b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,13,69,35,665		1,06,00,52,364	
c	Other current liabilities	3	86,73,98,946		1,84,71,03,992	
d	Short-term provisions	3	23,33,37,909		12,73,55,395	
				2,23,76,72,740		3,18,45,11,741
	<b>TOTAL</b>			<b>13,72,00,71,280</b>		<b>10,77,52,86,440</b>
II	<b>ASSETS</b>					
1	<b>Non-current assets</b>					
a	<b>Fixed Assets</b>					
i)	Tangible assets	4	23,32,55,522		12,60,86,534	
ii)	Intangible assets	4	7,48,901		9,06,713	
iii)	Capital Work In Progress	4	-		6,14,58,726	
iv)	Lease hold building		-		32,30,308	
b	Non-current investment	5	4,40,36,153		4,49,57,363	
c	Deferred Tax Asset (Net)	20	7,66,21,108		1,47,71,045	
d	Long-term loans and advances	9	3,41,12,36,688		2,42,29,30,509	
e	Other non-current assets	8	6,09,14,76,267	9,85,73,71,659	6,73,32,41,866	9,40,75,86,064
2	<b>CURRENT ASSETS</b>					
a	Inventories	6	61,15,17,916		66,54,14,041	
b	Trade receivables	7	73,06,10,483		12,28,06,050	
c	Cash & Bank balances	8	1,31,06,13,331		17,51,84,131	
d	Short-term Loans & Advances	9	1,55,70,70,693		18,14,23,583	
e	Other current assets	10	73,38,84,195	3,85,26,96,621	21,88,77,777	1,36,77,00,376
	<b>TOTAL</b>			<b>13,72,00,71,280</b>		<b>10,77,52,86,440</b>

The Notes referred to above, notes on accounts and the Significant Accounting Policies annexed form part of the Balance Sheet

For VENUGOPAL & CHENOY  
CHARTERED ACCOUNTANTS  
(FR.No.004671S)

(CA) VENKATA JANKINATH  
(FR.No.029505)  
PARTNER



For and on behalf of the Board of Directors

(V.G. VENKATA REDDY)  
VC & MD (F&A)

VITAYALAKSHA, Dtd: 12/05/2016

(1) MOHAN RAO  
DIRECTOR

VITAYALAKSHA, Dtd: 12/05/2016

Place: HYDERABAD  
Date: 05/06/2016

(D. SRINIVASA RAO)  
DMG (F&A, F&A)



## THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

( Estd: 28th Feb., 1961 )

## \* STATEMENT OF PROFIT &amp; LOSS \* FOR THE YEAR ENDED 31st MARCH, 2016

	PARTICULARS	Note	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15)	
			Rupees		Rupees	
I.	Revenue from operations	11	6,29,01,63,475		1,23,27,73,430	
II	Other Income	12	7,46,18,045		88,88,57,124	
III	Total revenue (I + II)			7,01,82,68,520		2,12,16,30,554
IV	EXPENSES					
a	Cost of Material Consumed	13	2,50,98,396		30,01,962	
b	Change in inventories of finished goods	14	5,33,13,486		(28,86,33,288)	
c	Employees Benefits expenses	15	29,22,05,922		14,16,37,953	
d	Depreciation & Amortisation expenses	4	2,44,95,542		2,51,05,847	
e	Finance Cost	16	56,95,893		45,20,548	
f	Other expenses	17	2,62,17,43,730		89,58,21,654	
	Total expenses			(3,02,45,52,967)		(78,14,54,676)
V	Profit before exceptional and extraordinary items and tax (III-IV)			3,99,37,15,553		1,34,01,75,878
VI	Prior period items	18		(19,71,72,538)		20,60,280
	Exceptional items	19		(6,00,73,000)		
VII	Profit before extraordinary items and Tax (V-VI)			3,73,64,70,015		1,34,22,36,158
VIII	Extraordinary items					
IX	Profit before Tax (VII-VIII)			3,73,64,70,015		1,34,22,36,158
X	Tax expense:					
1	Current tax		1,54,74,00,607		46,39,03,314	
2	Earlier years Tax		2,02,14,713		60,00,000	
3	Deferred tax		(6,18,47,063)	(1,50,57,75,257)	(1,61,49,502)	(45,37,53,812)
XI	Profit (Loss) for the period from continuing operations (IX-X)			2,23,06,94,758		88,84,82,346
XII	Profit (Loss) from discontinuing operations			-		-
XIII	operations			-		-
XIV	Profit (Loss) from discontinuing operations ( after tax) (XII-XIII)			-		-
XV	Profit ( Loss) for the period (XI+XIV)			2,23,06,94,758		88,84,82,346
	Earnings Per Equity Share (also refer note 1.3)					
	1. Basic			35,373.04		14,049.03
	2. Diluted			35,373.04		14,049.03

The Notes referred to above, notes on accounts and the Significant Accounting Policies annexed form part of the Statement of Profit & Loss.

For VENUGOPAL & CHENYOY  
CHARTERED ACCOUNTANTS  
(FD No.0046715)

For and on behalf of the Board of Directors

(C.A.D. VENKATA JANKINATH)  
(M.No.029505)  
PARTNER



(V.G. VENKATA REDDY)  
VC & MD (FAC)

(MOHAN RAO)  
DIRECTOR

VETALAWADA, Dated: 13/05/2016

VETALAWADA, Dated: 13/05/2016

Place: HYDERABAD

(D. SRINIVASA RAO)

Date: 05/06/2016

(DMG (FAC, F & A))

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No:1 Share Capital**

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
<b>AUTHORISED CAPITAL:</b> 1,00,000 Equity Shares of Rs.1000 each (Previous year -1,00,000 Equity shares of Rs.1,000 each)	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID</b> 63,062 Equity Shares of Rs.1000/- each fully paid up (Previous year -63,062 Equity shares of Rs.1,000 each)	6,30,62,000	6,30,62,000
	6,30,62,000	6,30,62,000

**Additional Notes**

**1.1**

Reconciliation of the number of Equity Shares Outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

**1.2**

The Company has one class of equity shares having a par value of ₹ 1000 per share. Each equity shareholder is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

**1.3**

The details of shares in the Company held by each shareholder holding more than 5% shares:

Name of the Share holder	% of holding	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)	
		No. of Shares held	% of holding	No. of Shares held
Governor of the Andhra Pradesh- Represented by Assistant Secretary to Government ( Mines ) Industries & Commerce department	99.995	63059	99.995	63059



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 2 RESERVES & SURPLUS

	Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
a Capital Reserve				
FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH ALLOTTED BY				
i) M/s. Damodhan Minerals Pvt Ltd				
18921 Equity Shares @ Rs.10/- each fully paid up	1,89,210			1,89,210
(less: Transfer to Telangana Region Adv (Tr of Assets & Liabilities))	(1,89,210)	-		-
ii) M/s. Aswani Mineral Development Pvt Ltd				
65000 Equity Shares of Rs.10/- each fully paid up	6,50,000		6,50,000	
(less: Provision made for diminution in the value of shares)	(6,50,000)	-	(6,50,000)	-
iii) M/S.SRA2 Mineral (P) Ltd				
325000 Equity Shares of Rs.10/- each fully paid up	32,50,000		32,50,000	
(less: Provision made for diminution in the value of shares)	(32,50,000)	-	(32,50,000)	-
iv) Arlath Minerals Exports (P) Ltd				
130000 Equity Shares @ 10/- each fully paid up	13,00,000		13,00,000	
(less: Provision made for diminution in the value of shares)	(13,00,000)	-	(13,00,000)	-
v. Issa Minerals Exports (P) Ltd				
130000 Equity Shares @ 10/- each fully paid up	13,00,000		13,00,000	
(less: Provision made for diminution in the value of shares)	(13,00,000)	-	(13,00,000)	-
vi) Margaree Granites (P) Ltd				
130000 Equity Shares @ 10/- each fully paid up	13,00,000		13,00,000	
(less: Provision made for diminution in the value of shares)	(13,00,000)	-	(13,00,000)	-
vii. Ongole Minerals Exports (P) Ltd				
325000 Equity Shares @ 10/- each fully paid up	32,50,000		32,50,000	
(less: Provision made for diminution in the value of shares)	(32,50,000)	-	(32,50,000)	-
viii. RLP Granites (P) Ltd				
325000 Equity Shares @ 10/- each fully paid up	32,50,000		32,50,000	
(less: Provision made for diminution in the value of shares)	(32,50,000)	-	(32,50,000)	-
ix. M/s A.P. Granite (Midwest) P Ltd				
1100000 Equity shares @ 10/- each fully paid up		1,10,00,000		1,10,00,000
x M/s Alliance A.P. Black Galaxy Granite (P) Ltd	1,10,00,000		1,10,00,000	
1100000 Equity shares @ 10/- each fully paid up				
(less: Provision made for diminution in the value of shares)	(1,10,00,000)	-	(1,10,00,000)	-
xi) M/s Pallava Red Granite (P) Ltd		1,10,00,000		1,10,00,000
1100000 Equity shares @ 100/- each fully paid up				
xii) M/s A.P. Coastal sands & Minerals Pvt Ltd,				
13000 Equity shares @ 10/- each fully paid up		1,30,000		1,30,000
xiii) M/s. Ongole Iron Ore Mining Company Pvt Ltd		5,61,000		5,61,000
56,100 Equity shares @ 10/- each fully paid up				
xiv) M/s Gampar AP Barytes Beneficiation (P) Ltd		13,200		13,200
1320 Equity shares @ 10/- each fully paid up				
xv) M/s Andhra Baryte Corporation (P) Ltd		65,25,000		35,25,000
6,52,500 Equity shares @ 10/- each fully paid up				
xvi) M/s Andhra Pradesh Iron Ore Company Ltd		68,500		68,500
6,850 Equity shares @ 10/- each fully paid up				
xvii. M/s. Trimmer Barite Private Ltd		45,00,000		45,00,000
4,50,000 Equity shares @ 10/- each full paid up				
xviii) M/s.V.V. Minerals (P) Ltd	1,10,000			1,10,000
1,100 Equity shares @ 100/- each full paid up shares				
(less: Provision made for diminution in the value of shares)	(1,10,000)	-		-
Carry forward		3,57,97,200		3,60,96,910





THE ANUPRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED					
NOTES FORMING PART OF THE BALANCE SHEET					
Note No: 2 RESERVES & SURPLUS					
		Figures at the end of March 31, 2016		Figures at the end of March 31, 2015	
brought forward			3,57,97,280		3,68,96,918
OTHER RESERVES					
i) RESERVE FOR BAD & DOUBTFUL DEBTS					
As at the commencement of the year		₹			
		70,94,087		49,41,247	
Add: Transferred (sum+)/ to (-) Profit and Loss Account		0,06,504	70,99,691	21,52,340	70,94,087
ii) GENERAL RESERVE					
As per last Balance Sheet		95,37,77,313		89,67,27,547	
Less: Depreciation Adjustment with retained earnings		(1,00,651)		(55,14,227)	
Add: The portion of the Share Capital allotted to Telanagana		2,62,84,242		(2,62,84,242)	
Add: Addition during the year		22,30,69,476		8,88,48,235	
At the end of the Year			1,20,30,29,388		98,37,77,313
c) Statement of Profit & Loss - Surplus					
Surplus as per last balance sheet		3,93,73,35,237		3,15,89,71,639	
Profit for the year		2,23,06,94,758		88,84,82,346	
Profit available for appropriation		8,16,82,30,015		644,74,54,605	
Less: Reserve for bad and doubtful Debt		(9,06,594)		(21,52,840)	
Less: Transfer to General Reserve		(22,30,69,476)		(8,88,48,235)	
Less: Dividend (Previous year Interim Dividend)		(1,57,65,500)		(1,57,65,500)	
Less: Tax on Dividend (Previous year tax Interim Dividend)		(32,40,645)		(31,57,173)	
Sub total		(24,29,81,221)		(70,99,18,748)	
As at End of the year			7,92,52,48,800		593,75,35,257
Total			9,17,20,75,561		6,93,45,03,569

Note: Rate of Dividend is 25% on the Share Capital and the amount per share is Rs.250.01



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 3

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.04.14 to 31.03.15)		
	Non-Current (Rupees)	Current (Rupees)	Total (Rupees)	Non-Current (Rupees)	Current (Rupees)	Total (Rupees)
<b>Non Current Liabilities &amp; Current Liabilities</b>						
i). Borrowings	-	-	-	-	15,00,00,000	15,00,00,000
ii). Deferred tax Liability	-	-	-	-	-	-
iii). Long term Liabilities	-	-	-	-	-	-
iv). Trade Payables ( Includes Refer Note 21- 2 (III) iv (ii) )	1,05,50,74,715	1,13,69,35,885	2,19,20,10,600	6,346	1,06,00,52,354	1,06,00,58,700
	1,05,50,74,715	1,13,69,35,885	2,19,20,10,600	6,346	1,06,00,52,354	1,06,00,58,700
v). Others	-	-	-	-	-	-
a). Relating to Employees	-	1,62,88,263	1,62,88,263	13,007	1,09,69,447	1,09,82,454
b). Other Liabilities ( also refer Note 21-2- III - (ii) & vi) )	85,12,47,939	39,12,91,248	1,24,25,39,187	29,07,68,011	1,30,54,93,081	1,59,62,61,092
c). Amounts payable to Govt of India	-	-	-	15,00,000	-	15,00,000
d). <del>Disputes</del>	68,60,937	43,31,84,011	44,00,44,948	1,07,18,187	52,43,03,728	53,50,21,915
e). CST/ APVAT / Service tax Payable ( refer Note 21-2- (III) - (i) & (ii) )	6,43,71,997	2,66,35,424	9,10,07,421	7,75,69,823	63,37,736	8,39,07,559
f). Expenses payable against Infrastructure Development ( refer note 21-2-(III) - (v) )	18,93,77,891	-	18,93,77,891	19,23,79,255	-	19,23,79,255
	1,11,18,58,764	86,73,98,946	1,97,92,57,710	57,29,48,286	1,84,71,03,992	2,42,00,52,278
	2,16,69,33,479	2,00,43,34,831	4,17,12,68,310	57,29,54,632	2,90,71,56,346	3,48,01,10,978
<b>vi). PROVISIONS</b>						
<b>For Employee benefits ( refer note 21-2- ( V ) (vi) )</b>						
a). Group Gratuity Premium payable	-	5,24,90,386	5,24,90,386	-	43,09,137	43,09,137
b). Group Leave Encashment Premium payable	-	4,70,21,938	4,70,21,938	-	82,26,818	82,26,818
<b>Others</b>						
a). Reclamation & Rehabilitation of Mined out areas	8,03,27,500	-	8,03,27,500	2,02,54,500	-	2,02,54,500
b). Dividend & Special Dividend - 2013-14	-	7,88,27,500	7,88,27,500	-	7,88,27,500	7,88,27,500
c). Tax on Dividend & Special Dividend - 2013-14	-	1,70,74,267	1,70,74,267	-	1,70,74,267	1,70,74,267
d). Dividend - 2014-15	-	1,57,65,500	1,57,65,500	-	1,57,65,500	1,57,65,500
e). Tax on Dividend - 2014-15	-	31,52,173	31,52,173	-	31,52,173	31,52,173
f). Dividend - 2015-16	-	1,57,65,500	1,57,65,500	-	-	-
g). Tax on Dividend - 2015-16	-	32,40,645	32,40,645	-	-	-
<b>Total (C)</b>	<b>8,03,27,500</b>	<b>23,11,37,909</b>	<b>31,36,65,409</b>	<b>2,02,54,500</b>	<b>12,73,55,395</b>	<b>14,76,09,895</b>
<b>Total a+b+c</b>	<b>2,24,72,60,979</b>	<b>2,23,76,72,740</b>	<b>4,48,49,33,719</b>	<b>59,32,09,132</b>	<b>3,18,45,11,741</b>	<b>3,77,77,20,873</b>



## NOTES FORMING PART OF THE BALANCE SHEET

#### TABLE NO. 4 ILKED ASSETS

1. Company Name: W. J. Rouse Co., Inc.

[illegible]

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No: 5 Non Current Investment**

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
	Rupees	Rupees
<b>a) Trade Investments</b>		
<b>Unquoted Investments:</b>		
<b>i) Subsidiary Companies:</b>		
For Cash		
i. M/s.APMDC - SCCL Sebyan Coal Company Ltd		
a) 5100 equity shares of Rs.10/- each fully paid up	51,000	51,000
(less: Provision made for Doubtful Investment)	(51,000)	-
ii) Contribution of equity share capital of 51% shares as against of		
Authorized Capital of Rs.20.00 Crores, share application money		
ii M/s Nuegum Coal Company Ltd (50% of IV Company)	59,57,040	3,00,000
59570 equity shares @ Rs.100/- each fully paid up		
(less: Provision made for Doubtful Investment)	(59,57,040)	-
j. M/s. Andhra Phosphate (P) Ltd.		
1110 Equity shares of Rs.1000 each fully paid up	11,10,000	11,10,000
For Consideration Other than Cash (Free ride Equity shares):		
ii. M/s.Damodhara Minerals (P) Ltd.	1,88,210	1,88,210
18921 equity Shares of Rs.10/- each fully Paid up		
(less: Transfer to Telangana Region Adv.( Tr of Assets & Liabilities)	(1,88,210)	-
iii. M/s Ougela Iron Ore Mining Company Pvt Ltd	5,61,000	5,61,000
56,100 Equity shares @ 10/- each fully paid up		
<b>ii) Joint Venture Companies:</b>		
For Consideration Other than Cash (Free Ride Equity Shares):		
i. M/S. Aswara Mineral Development (P) Ltd		
65000 Equity Shares of Rs.10/- each fully paid up	6,50,000	6,50,000
(less: Provision made for demeritum in the value of shares)	(6,50,000)	-
ii M/S.SRAP Mineral (P) Ltd		
325000 Equity Shares of Rs.10/- each fully paid up	32,50,000	32,50,000
(less: Provision made for demeritum in the value of shares)	(32,50,000)	-
iii. M/s. Arham Minerals Exports (P) Ltd		
130000 Equity Shares @ 10/- each fully paid up	13,00,000	13,00,000
(less: Provision made for demeritum in the value of shares)	(13,00,000)	-
iv. M/s. Jsr Minerals Exports (P) Ltd		
130000 Equity Shares @ 10/- each fully paid up	13,00,000	13,00,000
(less: Provision made for demeritum in the value of shares)	(13,00,000)	-
v M/s. Margasree Granites (P) Ltd		
130000 Equity Shares @ 10/- each fully paid up	13,00,000	13,00,000
(less: Provision made for demeritum in the value of shares)	(13,00,000)	-
vi. M/s. Ongluc Minerals Exports (P) Ltd		
325000 Equity Shares @ 10/- each fully paid up	32,50,000	32,50,000
(less: Provision made for demeritum in the value of shares)	(32,50,000)	-
vii. M/s. RLP Granites (P) Ltd		
325000 Equity Shares @ 10/- each fully paid up	32,50,000	32,50,000
(less: Provision made for demeritum in the value of shares)	(32,50,000)	-
viii. M/s. A.P Granites ( Midwest ) P Ltd	1,10,00,000	1,10,00,000
1100000 Equity Shares @ 10/- each fully paid up		
Carry forward	1,26,71,000	1,32,11,210





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No. 5 Non Current Investment

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)	
	Rupees		Rupees	
<b>Brought Forward</b>		<b>1,26,71,000</b>		<b>1,32,18,210</b>
b. M/s.Alliance A.P.Black Galaxy Granites (P) Ltd 110000 Equity shares @ 10/- each fully paid up (less: Provision made for diminution in the value of shares)	1,10,00,000 (1,10,00,000)	-	1,10,00,000 (1,10,00,000)	-
c. M/s.Pallava Red Granites (P) Ltd 110000 Equity Shares @ 100/- each fully paid up		1,10,00,000		1,10,00,000
xi. M/s.A.P.Coastal sands & Metals Pvt Ltd, 13000 Equity shares @ 10/- each fully paid up		1,30,000		1,30,000
xii. M/s.Clinipex AP Barytes Beneficiation (P) Ltd 1320 Equity shares @ 10/- each fully paid up		13,200		13,200
xiii. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 Equity shares @ 10/- each fully paid up		85,25,000		85,25,000
xiv. M/s. Andhra Pradesh Iron Ore Company Ltd 6,850 Equity shares @ 10/- each fully paid up		68,500		68,500
xv. M/s.Trimesh Barite Private Ltd 4,50,000 Equity shares @ 10/- each fully paid up		45,00,000		45,00,000
xvi. M/s V.V. Minerals (P) Ltd 1,100 Equity shares @ 100/- each fully paid up (less: Provision made for diminution in the value of shares)	1,10,000 (1,10,000)	-		1,10,000
For Cash				
h. M/S.Andhra Pradesh Tribal Mining (P) Ltd 28600 Equity Shares of Rs 10/-each fully paid up (less: Provision made for Doubtful Investment)	2,86,000 (2,86,000)			2,86,000
		<b>3,69,07,700</b>		<b>3,78,43,910</b>
<b>b) Other Investments</b>				
National Saving Certificates (pledged with ADMG for Execution of Quarry leases) (also Refer note 21 - 2 - II (ii))		71,23,453		71,13,453
<b>TOTAL</b>		<b>4,40,36,153</b>		<b>4,49,57,363</b>
<b>Total Investments</b>		<b>6,85,00,950</b>		<b>6,31,43,910</b>
Note 1. The aggregate provision made for Doubtful Investments		62,94,040		-
Note 2. The aggregate Provision made for diminution in the value of shares		2,54,10,000		2,53,00,000
Note 3. Transfer to Telangana Regum Adm. (Tr of Assets & Liabilities)		1,89,210		-
		<b>3,69,07,700</b>		<b>3,78,43,910</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**SCHEDULE FORMING PART OF THE BALANCE SHEET**

**Note No: 6 Inventories**

Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )	
		Rupees		Rupees
Valued at lower of cost and net realisable value				
a) Finished goods ( at cost )		60,34,93,741		60,68,07,227
b) Stores and spares ( at cost )		48,74,877		38,47,847
c) Others				
i) HSD Oil ( at Cost )	4,46,116		21,04,299	
ii) Explosives ( at cost )	18,26,338		23,74,348	
iii) Packing Material ( at cost )	8,76,844	31,49,298	2,80,320	47,58,967
<b>Total:</b>		<b>61,15,17,916</b>		<b>66,54,14,041</b>

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No: 7 Trade Receivables ( Current ) ( also refer Related parties note No.21-2 - V (b) (IV-iii) )**

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )	
		Rupees		Rupees
a) Outstanding for a period exceeding 6 months from due date:				
Un Secured Considered good	2,63,69,626		1,02,36,628	
Un Secured Considered doubtful	2,85,86,048	5,49,55,674	84,48,753	1,86,85,381
( Less: Provision made )		(2,85,86,048)		(84,48,753)
		2,63,69,626		1,02,36,628
b) Other Trade Receivables				
Un Secured Considered good		11,32,40,857		11,55,69,422
<b>Total</b>		<b>13,96,10,483</b>		<b>12,38,06,050</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: B Cash and bank balances

PARTICULARS	As at 31st March 2016 (In Rupees)					As at 31st March 2015 (07.06.14 to 31.03.15)				
	Non Current		Total	Current		Non Current		Total	Current	
	Frozen (Refer Note 2 below)				Total	Frozen				Total
<b>I). CASH AND CASH EQUIVALENT</b>										
a). Balance with Banks										
In Current Accounts	61,19,068	-	61,19,068	15,27,79,671	15,88,98,739	50,84,036		50,84,036	10,38,49,576	10,89,33,612
In Deposit Accounts										
Fixed Deposit	3,00,00,000		3,00,00,000		3,00,00,000					
Sweep at AB				1,15,76,90,171	1,15,76,90,171				7,42,25,441	7,42,25,441
b). Cash on hand	-	-	-	1,43,489	1,43,489				1,09,114	1,09,114
	3,61,19,068	-	3,61,19,068	1,31,06,13,331	1,34,67,32,399	50,84,036	-	50,84,036	17,87,84,131	18,32,68,167
<b>II). Others bank balances</b>										
a). Fixed Deposits	5,12,46,66,999	-	5,12,46,66,999		5,12,46,66,999	5,86,26,98,740		5,86,26,98,740		5,86,26,98,740
b). Fixed Deposits Kept for BG	9,74,30,241	56,90,933	10,31,21,174	-	10,31,21,174	79,92,13,101	56,25,000	80,48,38,101	-	80,48,38,101
c). Fixed Deposits BG- Without Lien	76,71,43,057		76,71,43,057		76,71,43,057					
d). Sweep Account SBI - Khairatabad	5,63,83,987		5,63,83,987		5,63,83,987	5,65,74,987		5,65,74,987		5,65,74,987
	6,04,56,24,294	56,90,933	6,05,13,15,217	-	6,05,13,15,217	6,71,84,86,828	56,25,000	6,72,41,11,828	-	6,72,41,11,828
e). Post Office Saving Bank Account (Refer note 21 - (2) - II.(f) (also refer note (1) below)		40,42,002	40,42,002	-	40,42,002		40,46,002	40,46,002	-	40,46,002
	-	40,42,002	40,42,002	-	40,42,002	-	40,46,002	40,46,002	-	40,46,002
	6,08,17,43,352	97,32,935	6,09,14,76,287	1,31,06,13,331	7,40,20,89,618	6,72,35,70,844	96,71,002	6,73,32,41,846	17,81,84,131	6,91,14,25,997

Note:1 The original pass books of Postal Saving Accounts were pledged with Asst. Director of Mines & Geology for granting leaves. Hence the physical possession of the postal saving accounts are not with the Corporation.

Note:2 - The Govt of Telangana has directed to the banks not to allow any cash or fixed deposits in any current account, Saving bank account or term Deposit account or any other account to be withdrawn or transferred or in any manner modified, based on instructions issued by The A.P. Mineral Development Corporation Ltd or any other member of the disputed Board Constituted by the Government of Andhra Pradesh on 21.10.2014. All such monies may be frozen immediately pending the approval of the Demerger plan of APMDCL



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 9 - Loans & advances

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)		
	Non - Current	Current	Total	Non - Current	Current	Total
<b>a) Un-Secured - Capital Advances</b>						
a) Considered good ( un secured )	1,66,70,93,262		1,66,70,93,262	1,75,18,61,442	23,327	1,75,18,85,769
b) Considered Doubtful ( un secured )	11,09,21,032		11,09,21,032	1,63,05,532		1,63,05,532
Sub total	1,77,80,14,294	-	1,77,80,14,294	1,76,81,67,974	23,327	1,76,81,91,301
(Less: Provision for Doubtful items)	(11,09,21,032)	-	(11,09,21,032)	-		-
	1,66,70,93,262	-	1,66,70,93,262	1,76,81,67,974	23,327	1,76,81,91,301
<b>b) Other Loans &amp; Advances</b>						
<b>i. Loan to employees</b>						
Secured :						
Vehicle Loans to Staff ( Secured )	16,29,951	7,91,268	23,31,239	10,69,956	4,48,904	15,18,862
Unsecured, considered good :						
other Loans to staff	6,36,233	3,54,440	9,90,673	9,33,033	5,33,140	14,66,193
	22,66,184	10,55,728	33,21,912	20,02,991	9,82,064	29,85,055
<b>ii. Advances to employees</b>						
Unsecured, considered good:						
a) Considered good ( un secured )	-	2,22,945	2,22,945	-	2,20,414	2,20,414
b) Considered Doubtful ( un secured )	-	-	-	-	-	-
Sub total	-	2,22,945	2,22,945	-	2,20,414	2,20,414
<b>iii. Un Secured Advances to suppliers</b>						
a) Considered good ( un secured )	-	49,96,146	49,96,146	-	15,03,963	15,03,963
b) Considered Doubtful ( un Secured )	-	-	-	-	-	-
Sub total	-	49,96,146	49,96,146	-	15,03,963	15,03,963
(Less: Provision for Doubtful items)	-	-	-	-	-	-
	-	49,96,146	49,96,146	-	15,03,963	15,03,963



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 9 - Loans & advances

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)		
	Non - Current	Current	Total	Non - Current	Current	Total
iv. Un Secured - Advances to Govt. Depts.						
a) Considered good ( un secured )	72,60,52,733	1,52,95,92,334	2,25,56,45,067	39,84,92,910	6,71,68,695	46,56,61,605
b) Considered Doubtful ( un secured )	40,07,349	-	40,07,349	40,07,349	-	40,07,349
Sub total	73,00,60,082	1,52,95,92,334	2,25,56,52,416	40,25,00,259	6,71,68,695	46,96,68,954
(Less: Provision for Doubtful items)	(40,07,349)	-	(40,07,349)	-	-	-
	72,60,52,733	1,52,95,92,334	2,25,56,45,067	40,25,00,259	6,71,68,695	46,96,68,954
v. Un Secured - Advance to others						
a) Considered good ( un secured )	59,69,55,367	2,13,77,384	61,83,32,751	6,76,64,060	6,89,05,984	13,65,70,044
b) Considered Doubtful ( un secured )	1,89,19,444	-	1,89,19,444	1,00,93,083	-	1,00,93,083
Sub total	61,58,74,811	2,13,77,384	63,72,52,195	7,77,57,143	6,89,05,984	14,66,63,127
(Less: Provision for Doubtful items)	(1,89,19,444)	-	(1,89,19,444)	(1,32,525)	-	(1,32,525)
	59,69,55,367	2,13,77,384	61,83,32,751	7,76,24,618	6,89,05,984	14,65,30,602
vi. Prepaid expenses	-	98,26,156	98,26,156	-	34,44,122	34,44,122
vii. Un Secured - Deposits						
i) With Govt. Departments ( un secured )						
a) Considered good ( un secured )	40,05,76,116	-	40,05,76,116	16,27,27,651	3,23,83,274	19,51,10,955
b) Considered Doubtful ( un secured )	5,97,085	-	5,97,085	5,97,085	-	5,97,085
Sub total	40,11,73,201	-	40,11,73,201	16,33,24,766	3,23,83,274	19,57,08,040
(Less: Provision for Doubtful items)	(5,97,085)	-	(5,97,085)	-	-	-
	40,05,76,116	-	40,05,76,116	16,33,24,766	3,23,83,274	19,57,08,040



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

Note No: 9 - Loans & advances

PARTICULARS	As at 31 <sup>st</sup> March 2016			As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)		
	Non - Current	Current	Total	Non - Current	Current	Total
ii) Un Secured - With others						
a) Considered good (un secured)	1,82,93,026	-	1,82,93,026	87,20,449	67,91,540	1,55,11,989
b) Considered Doubtful (un secured)	7,53,612	-	7,53,612	5,89,452	-	5,89,452
Sub total	1,90,46,638	-	1,90,46,638	93,09,901	67,91,540	1,61,01,441
(Less: Provision for Doubtful Items)	(7,53,612)		(7,53,612)	-		-
	1,82,93,026	-	1,82,93,026	93,09,901	67,91,540	1,61,01,441
<b>ABSTRACT</b>	<b>Non Current</b>	<b>Current</b>	<b>Total</b>	<b>Non Current</b>	<b>Current</b>	<b>Total</b>
Considered good	3,41,12,36,688	1,56,70,70,693	4,97,83,07,381	2,39,14,70,533	18,14,23,383	2,57,28,93,916
Considered Doubtful	13,51,98,522		13,51,98,522	3,15,92,501		3,15,92,501
<b>Total</b>	<b>3,54,64,35,210</b>	<b>1,56,70,70,693</b>	<b>5,11,35,05,903</b>	<b>2,42,30,63,034</b>	<b>18,14,23,383</b>	<b>2,60,44,86,417</b>
Less: Provision made for Doubtful	(13,51,98,522)		(13,51,98,522)	(1,32,525)		(1,32,525)
	3,41,12,36,688.00	1,56,70,70,693	4,97,83,07,381	2,42,29,30,509	18,14,23,383	2,60,43,53,892





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE BALANCE SHEET**

**Note No: 10 Other Current Assets**

PARTICULARS	As at 31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Int. accrued on Fixed Deposits	16,27,49,056	7,71,56,700
Int. accrued on FDR kept for BG	80,74,975	11,21,16,121
Int. accrued on Sweep account - SBI, Khairatabad	5,78,57,376	2,29,63,958
Int. accrued on Elec. Deposit	6,42,038	5,44,302
Int. accrued on Investments - N S C Bonds	45,30,513	44,68,022
Interest Accrued on Postal Savings Account	-	15,80,608
VAT credit receivable	-	12,820
M/s. Andhra Phosphate Ltd	30,240	30,240
<b>Total</b>	<b>23,38,84,196</b>	<b>21,88,72,771</b>

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

**Note No: 11 Revenue from Operations**

Particulars	For the period from 01.04.15 to 31.03.16	For the period from 02.06.14 to 31.03.15
a). Sale of Products	6,13,96,16,982	1,11,62,67,303
b). Other Operating Revenues	15,05,46,493	11,65,06,127
<b>Total</b>	<b>6,29,01,63,475</b>	<b>1,23,27,73,430</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

Note : 12 Other Income

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )	
	Rupees		Rupees	
a) Interest Income				
Interest on Fixed Deposits ( TDS Rs.4,63,95,907/- Previous year Rs.6,32,26,723)	58,51,80,452			
Less: Interest on FDRs for Telangana Region	(13,05,15,504)	45,46,64,948		
Interest on Fixed Deposits Kept for BG ( TDS - 1,21,71,168 )	1,60,10,879		-	78,31,46,665
Less: Interest on FDRs BG for Telangana Region	(64,62,835)	95,48,044	-	
Interest on FDR BGs without Lien	9,26,75,778			
Less: Interest on FDRs BG without Lien for Telangana Region	(3,90,44,064)	5,46,31,714		
Interest on Sweep a/c- SBI, Khairatabad	3,87,86,700			
Less: Interest on Sweep - SBI for Telangana Region	(3,40,17,720)	47,68,980		3,78,90,354
Interest on Sweep a/c- AB Somaiguda		12,94,46,637		32,42,059
Interest on Electricity Deposits ( TDS Rs/- 71,338/- Previous year Rs. 60480/- )		7,13,376		6,04,782
Interest on Investments - NSC Bonds		62,491		7,34,181
Interest on Postal saving bank account				1,40,237
Interest on Loans to staff		2,52,433		1,77,734
Interest on delay in payment of Min.Consideration				5,73,506
Interest on Deposits with Adtl.Chief Judge ( City Civil Court )				4,40,50,289
Other Interest receipts ( interest on Credit Sales )		43,51,954		6,802
		65,84,40,577		87,08,66,609
b) Dividend Income				
Dividend from M/S. A.P.Grantes ( Mid west )		13,20,000		13,20,000
		13,20,000		13,20,000
c) Other non-Operating Income				
Other ( Miscellaneous ) Income	99,06,829		1,27,23,177	
Rent Receipts	14,71,857		4,25,283	
Service Charges From APPL	-		33,600	
Income on Deferred Govt Grants	-		11,004	
Income On Depreciation on the Change of Pattern under Com. Act 2013	-		8,80,971	
Forfeiture of Security Deposit	3,36,89,000		10,00,000	
Forfeiture of EMD	-		6,00,000	
Penalty on ROM / OB	15,93,192		-	
Sale of Tender documents	13,77,345		8,80,350	
Profit on sale of Assets	9,000		-	
Sale of Scrap	-		1,460	
Freight & Insurance on Despatches	1,72,069	4,82,19,472	2,08,527	1,67,64,372
Amounts Written Back		2,01,24,996		2,06,142
<b>TOTAL</b>		<b>72,51,05,045</b>		<b>88,88,57,123</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No: 13 Cost of Material Consumed**

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )
	Rupees	Rupees
Consumption of Packing Material	2,50,98,396	30,01,962
<b>Total</b>	<b>2,50,98,396</b>	<b>30,01,962</b>

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No: 14 Changes in Inventories of Finished Goods**

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 ( 02.06.14 to 31.03.15 )
	Rupees	Rupees
<b><u>FINISHED GOODS:</u></b>		
Balance at the beginning of the year	65,68,07,227	36,81,73,939
Less: Balance at the closing of the year	60,34,93,741	65,68,07,227
<b>Total ( increase)/decrease in stocks</b>	<b>5,33,13,486</b>	<b>(28,86,33,288)</b>



THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED		
NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS		
Note No: 15 Employee Benefit expenses		
Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Salaries and Wages	14,97,61,314	9,46,57,073
Contribution to Provident and Other funds	11,00,29,020	2,01,11,487
Staff Welfare Expenses	3,24,15,588	2,68,69,393
Total	29,22,05,922	14,16,37,953
THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED		
NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS		
Note No: 16 Finance Cost		
Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)
Interest Expenses		
Interest on loan from Govt. A.P.	56,95,891	45,20,548
Total	56,95,891	45,20,548



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No : 17 Other Expenses**

PARTICULARS	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015 (02.06.14 to 31.03.15)	
		Rupees		Rupees
a)Power and Fuel		7,38,84,913		5,41,92,319
b)Rents		89,43,296		58,34,473
c)Repairs & Maintenance				
Repairs & Maintenance to Buildings	33,89,656		26,85,753	
Repairs & Maintenance to Machinery	46,90,263		19,14,669	
Repairs & Maintenance to Vehicles	18,12,389		9,02,364	
Repairs & Maintenance to Other Assets	9,65,716	1,08,57,924	4,39,632	59,42,438
d)Insurance		5,55,940		6,58,266
e)Rates and taxes		2,30,00,819		93,15,973
f)Other expenses				
i)Operating expense	191,58,51,664		46,33,14,748	
ii)Royalty & Other Levies	1,74,87,007		23,91,307	
iu)Selling Expenses	3,99,45,183		28,64,059	
iv)Prospecting & Mining Lease expenses( Refer Note 21 - 2 - IV - ii	4,64,76,624		16,25,84,040	
v)Travelling & Conveyance Charges	1,21,61,066		42,18,488	
vi)Office & General expenses	14,53,79,704		8,20,74,178	
vii). Audit Fees to Statutory Auditors	6,34,925		3,64,800	
viii). Audit Fees to Other Auditors	5,29,960		3,55,108	
ix). Expenses to Auditors	2,23,072		1,21,936	
x)Printing & Stationery	55,11,931		8,64,160	
xi)Postage, Telegrams & Telephones	25,78,547		17,42,921	
xii)Corporate Social Responsibility expenses (refer Note -21 - 2- IV - i )	1,11,13,338		96,43,192	
xiii) Remuneration to outside services	22,64,22,412		8,51,68,737	
xiv)Bad & Doubtful Debts (Provision)	2,01,37,295		40,85,216	
xv)Bad & Doubtful Advances (Provision)	13,30,65,998			
xvi)Bad & Doubtful Investments (Provision)	62,94,040			
xvii)Fixed Assets written off	44,342			
xviii)Other Assets written off	1,67,61,620			
xix)Loans & Advances Written off	88,508	249,75,03,838	85,219	61,98,78,185
<b>Total</b>		<b>262,17,43,730</b>		<b>69,58,21,654</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

Note No: 18 Prior Period Items

PARTICULARS	As at 31st March 16	As at 31st March 15 (02.06.14 to 31.03.15)
	Rupias	Rupias
Expenditure relating to Previous years:-		
Prior period exp. At HO - (amount paid without provision during the year 13-14)	-	4,821
Amount paid to Grama Sanparch, Mangampet towards maintenance of drainage and sanitation works for the period from 01.01.14 to 31.03.14	-	7,30,567
Consultancy charges for preparation of b/d processing management against tender for procurement of heavy duty submersible pumps sets pertaining to M.Pet expenditure relating for the year 13-14	-	1,40,450
Consultancy charges for preparation of Corporate plan and memorandum of understandings final payment made on 22.08.12 and kept at Advances account now rectified	-	3,02,500
Consultancy charges for preparation of Mining Plan of Ferrate Block, amount paid during the year 10-11 and kept at Advances, now rectified	-	2,60,000
Consultancy charges to obtain Environmental Clearance from MOEF and Consent for Establishment / Consent for operation from APPCB for quarry lease for colour granules amount paid 2012-13 and kept at Advances, now rectified	-	60,400
Repair charges of Office building amount paid during the year 2007-08 as advance and not adjusted, now adjusted to advances	-	20,559
TA expenses for earlier years at Chinnamurthy Branch for the year 12-13	-	788
Excess interest booked in previous years - 08-09 to 13-14 from M/s Pallava Red Granules -	-	4,76,024
Waiver of Interest for the period from 28.02.13 to 01.06.14 of Sri Srinivasa Granules ( TPT)	-	60,599
Tour expenses of Auditors for the period from 26.06.13 to 09.07.13	-	91,000
Meeting expenses in connection with AP Re-Organisation for the month of January 2014 and March 2014	-	3,042
Excess provision of Fixed Deposit -APGB, Mangampet during the year 14-15	27,534	-
Expenditure of 14-15 towards ISO 9000 Certification Charges	16,000	-
Expenditure pertaining to 2013-14 towards designing and printing 2000 copies mineral bulletin of APMDCL	1,21,349	-
Expenditure of 14-15 towards Preparation of HR modules and HR Payroll Modules of the Corporation	2,57,500	-
Salary arrears of Ex-Po at vizag	6,323	-
Interest on FDRs, FDR-Bg and Sweep (SBIL) for the period from 02.06.14 to 31.03.15 pertaining to Telangana Region. Earlier it was disclosed in the P&L A/C for the period from 02.06.14 to 31.03.15.	19,75,30,747	-
Prior Period Depreciation on Data Processing Equipments	1,30,645	-
<b>Total</b>	<b>19,80,90,096</b>	<b>21,50,350</b>
Less: Income relating to previous years		
Deficit Stamp duty	-	38,22,675
Registration fees	-	3,83,450
User charges	-	90
The House rent at Tirupathi Branch returned by Sri E Kuppen for the year 13-14	-	1,400
Excess Depreciation charged earlier years at Pedduguralla Branch	-	1
Interest Accrued on Fixed Deposits for the year 13-14	-	2,953
Amount received from Rehabilitant towards use time settlement at Mangampet- pertaining to 14-15	2,20,000	-
Cancellation of State Cheques Prior to 13-14 at Mangampet	57,250	-
Cancellation of Demand draft pertaining to Sulfur Coal Block	25,000	-
2015-16 - Excess Depreciation already charged. Already Depreciation charged is higher than the Depreciation whole life will be adjusted against the Salvaged value	6,15,310	-
<b>Total</b>	<b>9,17,560</b>	<b>42,10,629</b>
<b>Prior period Adjustment (Net)</b>	<b>(19,71,72,538)</b>	<b>20,80,280</b>



**The Andhra Pradesh Mineral Development Corporation Limited**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note No: 19 Exceptional Items**

Particulars	As at 31 st March 16	As at 31 st March 15 ( 02.06.14 to 31.03.15 )
	Rupees	Rupees
Reclamation & Rehabilitation Expenses of Minedout areas ( Debit )	60,073,000	
	60,073,000	-

**The Andhra Pradesh Mineral Development Corporation Limited**  
**NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS**

**Note 20 : Deferred tax Asset Net**

Particulars	Figures as at end of 31st March 16	Figures as at end of 31st March 15
Deferred tax Comprises of:		
i). Deferred tax Asset ( Provision etc )	86,312,071	5,605,647
ii). Deferred tax Liability ( Related to Depreciation )	(9,690,963)	9,168,398
iii). Deferred tax Asset ( refer Note - 21-2- (iii) )	76,621,108	14,774,045



Note No:21

Significant Accounting Policies and Notes forming part of the accounts for the year ended 31<sup>st</sup> March 2016

Note 1).Significant Accounting Policies

1). Significant accounting Policies

The accounting policies set out below have been applied consistently to the years presented in these financial statements

Basis for preparation of accounts

The financial statements of the Company has been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ( the Act ) read with Rule 7 of the Companies ( Accounts ) Rules, 2014 issued by the Central Government and the relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded nearest rupees.

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India (Indian GAAP) requires management to make judgment, estimates, assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

2). Current and Non-Current classifications

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the Operating Cycle (Operating cycle is assumed as 12 months by the company of the Company as per the guidance as set out in the Schedule III of the Companies Act, 2013

( I ) Assets

\* An asset shall be classified as current when it satisfies the following criteria:



a). It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle.

b). It is held primarily for the purpose of being traded.

c). It is expected to be realized within twelve months after the reporting date, or (d). It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**All other assets are classified as non-current."**

#### **( II ) Liabilities**

A liability is classified as Current when it satisfies the following criteria:

a). It is expected to be settled in the Company's normal Operating Cycle.

b). It is held primarily for the purpose of being traded

c). It is due to be settled within 12 months after the reporting date, or

d). the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current Liabilities include the current portion of non-current financial liabilities.

**All other liabilities are classified as non-current**

#### **3k. Fixed Assets & Depreciation:**

##### **a). Tangible fixed assets**

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on the written down value method over the estimated useful life of each asset as specified in Schedule II of the Companies Act, 2013. The useful lives are considered as prescribed as per Part "C" of schedule II of the companies Act, 2013. Depreciation for the year is recognized in the statement of profit and loss.

To compute Depreciation, the useful lives of fixed assets are as follows:

Asset class	Useful life (in years)
<b>I. Buildings:</b>	60
a). Buildings ( other than factory building) RCC Frame Structures	30
b). Buildings other than factory building )Other than RCC	



Frame Structures	
<b>II. Plant &amp; Equipment:</b>	
a). Plant & Machinery	15
b). Mining Equipment	15
c). Weighing Machines	15
d). Survey & Drawing equipment	05
<b>III. Furniture &amp; Fixtures</b>	10
<b>IV. Office Equipment</b>	05
<b>V. Vehicles</b>	08
<b>VI. Others:</b>	
a). Data Processing Equipment	03
b). Wells	05
c). Electrical Installations	10
d). Vocational Training Centre Equipment	05
e). First Aid Equipment	05
f). Laboratory equipment	10
<b>VII. Software / Net work:</b>	06

**b). Intangible Fixed Assets:**

Intangible assets that are acquired by the Company are measured initial at cost. And depreciate as per the estimated useful life as specified in Schedule II of the Companies Act, 2013.

c). The cost of interior arrangements in rented building are capitalized and amortized over the Lease period.

**d). Impairment of Assets:**

The carrying amounts of assets in use are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the carrying value is reduced to the lower of the net selling price or the value in use. The value in use is the present value of estimated future net income expected from use of the asset.

Impairment losses are recognized in statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent the asset's carrying amount does not exceed carrying amount that would have been determined net depreciation if no impairment loss has been recognized.





#### 5). Investments:

- a) Investments are classified as Current and Non-Current Investments. Investments that are readily realized and are intended to be held for not more than one year from the date of which such investments are made, are classified as "Current Investments". All other investments are classified as "Long term Investments". The carrying amounts of Current Investments are valued at lower of cost and fair value. However, provision for diminution is made to recognize decline, other than temporary, in the value of Long Term Investments.
- b) Investments made in free-ride equity shares for consideration other than cash are disclosed as long term investment and corresponding amount under the head Capital Reserve.

#### 6). Inventories:

- a) Finished products are valued at weighted average cost or net realizable value whichever is lower. The Closing stocks of finished goods (Barytes Lumps) lying with the Company and Private Mills are valued on weighted average cost prices of A & B grades or any combination of the same. The cost of closing stock does not include Royalty /seigniorage (except on lumps supplied to Private Mills) as the same is liable to be paid in respect of any Mineral removed from the leased area as per Sec.9 of Mines & Minerals (Regulations & Development) Act, 1957 and Head Office overheads.
- b) Spares, HSD oil, Explosives and Packing Materials are valued at lower of cost (weighted average cost method) and net realizable value.
- c) Based on the past experience, sales statistics and the quantity quoted in the earlier tender, and as slow moving item the Closing stock of C+D+Waste grade of Barytes for a quantity of 5,00,000 MTs has been valued from the financial year 2012-13 onwards and the remaining quantity is disclosed in the statement of Closing Stock without value.

#### 7). Cash & Cash equivalents:

Cash and cash equivalent in the Balance sheet includes Cash at Bank,

- a). Cash equivalent are held for the purpose of meeting short - term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Investment in shares are excluded from cash equivalent unless they are, in substance, cash equivalents; for example, preference shares of a company acquired shortly before their specified redemption date ( provided there is only an insignificant risk of failure of the company to repay the amount at maturity )
- b). Cash flows exclude movements between items that constitute cash or cash equivalent because these components are part of the cash management of an enterprises rather than part of its



operating, investing and financing activities. Cash management includes the investment of excess cash in cash equivalents.

## **81. Employees Benefits**

### **Short term Employee Benefits:**

Employee Benefits payable wholly within 12 months of receiving employee services are classified as short term employees benefits. These benefits include salary, wages, bonus and Ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees

### **Defined contribution plans:**

A retirement benefit in the form of superannuation is a defined contribution scheme and the contribution towards defined contribution scheme is charged to the Statement of Profit and Loss of the year when the contribution to the Fund is due. There is no obligation other than the contribution payable to the Fund. Retirement benefit in the form of Provident Fund is a defined benefit.

### **Defined benefit plans:**

The Company's gratuity benefit scheme and Leave encashment fund scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. There is a Trust by LIC for each of the purpose.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

### **Compensated absences:**

The employees can carry - forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on superannuation from employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized within twelve months after the end of such period, the benefit is classified as a long - term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. There is a trust by LIC for the purpose.



#### Termination benefits

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### 9). Recognition of Revenue & Expenditure:

- a) Revenue/Income and Cost/Expenditure are generally accounted on accrual, as they are earned or incurred except to the extent mentioned per (i) hereunder.
- b) Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- c) Income from services rendered is accounted as per contractual terms with the parties concerned.
- d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
- e) Dividend Income is accounted for when the right to receive is established.
- f) Consideration amount from Raising cum Sale contracts reduced to the extent of sales made, if any, i.e., on the total consideration, the sale amount of consideration will be considered as sale the remaining amount will be treated as consideration.
- g) Expenditure related to rehabilitation for the villagers falling within the danger Zone of Mining Project is charged to the revenue expenditure based on the information provided by the appropriate authority
- h) Expenditure incurred towards New Projects is treated as revenue expenditure and charged in the year in which such expenditure incurred as the viability of the Project is uncertain.
- i). All items of Income & Expenditure are accounted for on mercantile basis except in respect of the following:
  - i). Sale of scrap, interest on loan to employees, and other receipts of casual and contingent nature and Insurance Claims are accounted for on actual receipt basis.
  - ii). Interest receivable on consideration as per the terms & conditions of the Agreement, amount due in respect of joint venture Companies and RCSC will be recognized as income, in the year in which the interest received.
  - iii). Expenses on books, periodicals, membership and subscription fees, legal & professional fees (except Statutory Audit Fee, Internal Audit Fee and Cost Audit Fee) advertisements and sponsorships are charged as and when paid

#### 10). Taxation on Income:

Income tax expense comprises current tax ( i.e. amount of tax for the period determined in accordance with the income tax law ) and deferred tax charge or credit ( reflecting the tax effects of timing differences between accounting income and taxable income for the period ). Income tax



expense is recognized in profit or loss except that tax expense related to item recognized directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable rates and tax laws. Deferred tax is recognized in respect of timing difference between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities recognized using in tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset are recognized only to the extent there is reasonable certainty that the asset can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date.

#### 11). Provisions:

A provision is recognized if, as a result of a past event, the company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

##### Onerous Contracts:

A Contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with contract.

#### 12). Contingent liabilities and Contingent Assets:

A Contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, be probable will not, requires an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of out flow of resources remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which change occurs.



**13). Reserve for bad & doubtful debts**

Reserve for bad and doubtful debts is maintained on trade @ 5.73% on net trade receivables.

**14). Segment Reporting:**

The operations of the Company predominantly comprises of mining of Barytes. This activity constitutes the primary segment and is the only reportable segment.

**15). Earnings per share:**

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax for the year. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.

- 16). The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly provision has to be made in the books of accounts, for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Further the removal of overburden in excess over and above the Ratio of the mining Plan the same will be adjusted the against the provision.





Note 2) NOTES FORMING PART OF ACCOUNTS

	2015-16  (Rupees)	2014-15 (2-6-2014 to 31-3-2015) (Rupees)																																								
<b><u>1). Contingent liabilities not provided for</u></b>																																										
a) (i) Against the cases pending with Money suits and arbitration. (ii) Expenditure towards Project Displaced families	64,16,14,725	47,05,91,252																																								
b) Bank Guarantees furnished to different Departments by giving 100% margin by pledging fixed deposits against	63,45,00,000	63,45,00,000																																								
i) on behalf of Subsidiary Companies & Joint Venture companies	92,16,000	129,38,29,000																																								
ii) Others	64,93,350	1,59,99,675																																								
c) i). Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	6,87,48,956	11,85,05,000																																								
ii). Demand raised by service tax authorities which has been disputed and pending before Appellate authorities.		6,24,82,430																																								
d). As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2014-15, the total demand raised, deposits made and remaining un paid are as follows																																										
<table border="1"> <thead> <tr> <th>Assessment year</th> <th></th> <th>Demand as per the Assessment order</th> <th>Deposit made</th> <th>Remaining unpaid</th> </tr> </thead> <tbody> <tr> <td>1998-99</td> <td>Expl.</td> <td>4,40,837</td> <td>1,53,370</td> <td>2,87,467</td> </tr> <tr> <td>1999-00</td> <td>Expl.</td> <td>4,28,653</td> <td>92,400</td> <td>3,36,253</td> </tr> <tr> <td>2000-01</td> <td>Expl.</td> <td>6,77,565</td> <td>1,69,440</td> <td>5,08,165</td> </tr> <tr> <td>2002-03</td> <td>Expl.</td> <td></td> <td>4,32,224</td> <td></td> </tr> <tr> <td>2003-04</td> <td>Expl.</td> <td></td> <td>50,000</td> <td></td> </tr> <tr> <td>2004-05</td> <td>Expl.</td> <td>3,01,486</td> <td>3,01,486</td> <td>0</td> </tr> <tr> <td>2005-06</td> <td>Expl.</td> <td>45,14,683</td> <td>45,14,683</td> <td></td> </tr> </tbody> </table>	Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid	1998-99	Expl.	4,40,837	1,53,370	2,87,467	1999-00	Expl.	4,28,653	92,400	3,36,253	2000-01	Expl.	6,77,565	1,69,440	5,08,165	2002-03	Expl.		4,32,224		2003-04	Expl.		50,000		2004-05	Expl.	3,01,486	3,01,486	0	2005-06	Expl.	45,14,683	45,14,683			
Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid																																						
1998-99	Expl.	4,40,837	1,53,370	2,87,467																																						
1999-00	Expl.	4,28,653	92,400	3,36,253																																						
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2003-04	Expl.		50,000																																							
2004-05	Expl.	3,01,486	3,01,486	0																																						
2005-06	Expl.	45,14,683	45,14,683																																							



2006-07	Expl	50,39,440	50,39,440	
2007-08	Expl	31,43,331	31,43,331	
2007-08	Pena lty	7,85,833	3,92,920	3,92,913
2008-09	Expl & Con sl	2,00,94,029	1,00,47,015	1,00,47,014
2008-09	Pena lty	50,23,507	16,74,502	33,49,005
2008-09	Inter est	6,02,821	0	6,02,821
2009-12	Cons idera tion	6,65,88,241	4,35,92,560	2,32,95,681
2009-12	Pena lty	1,67,22,060	83,61,060	83,61,030
Total - A		12,46,62,486	7,79,64,361	4,71,80,349
Less: Share of TSMDC			(3,11,04,064)	
			4,68,60,297	

4,71,80,349 17,35,45,221

e) Capital Commitment towards Chinnakurthy Black Galaxy Granite Project-  
Land towards Consideration of land admeasuring to 266.86 acres for  
Patta land at Chinnakurthy belonging to Animal Husbandry Department,  
Govt. of Andhra Pradesh, for which final value has not yet been  
determined, pending at appropriate authorities.

6,21,56,000 6,21,96,000

f) Dispute towards reimbursement of Service Tax. Collected from  
Barytes Byers of Mangampet during the year 2007-08 & 2008-09  
towards payment to Excavation Contractor on submission of proof of  
payment of service tax.

6,00,00,000 0

g) The Corporation is contributing MRTU Fund as per G.O.RT No.237,  
dt 29-03-1997 and as per the GO, the Corporation has to contribute 10% of  
sales turnover every year. Since in 1997-98, the Income Tax authorities



disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.

The Government of Andhra Pradesh vide G.O.Ms.No.18,dt 13-01-2016 issued a G.O. rechristening of DMKTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government

i) To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.

ii) To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16

iii) It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals. However, the fund has not been utilised over last many years.

The Corporation requested to withdraw the G.O Rt No 237,dt 29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt 13/1/2016. There is no communication received from the Government.

i). Aggregate till end of the Previous year

251,21,92,989

239,72,17,016

ii). For the year(net off payment)

61,90,16,347

11,49,75,973

**Total**

313,12,09,336

251,21,92,989



## II. Assets:

i). The Corporation has opened Post Office Savings Accounts which are pledged with the Assistant Director of Mines and Geology for granting leases, of which copies of pass books of SR Accounts are as follows:				
	Current Year	Previous Year		
a). Copies of pass books available -Rs.39,76,002	39,80,002			
b). Passbooks not available	Rs. 66,000	66,000		
	<u>40,42,002</u>	<u>40,46,002</u>	40,42,002	40,46,002
( Refer Note -8 -II - a )				
ii) The Corporation obtained National Savings Certificates and pledged with Assistant Director of Mines and Geology for granting leases to the Corporation. Out of the above, the copies of the National Saving Certificates of Rs 1000 are not available. The National Saving Certificates amounting Rs. 1,21,00,000/- have been obtained in the personal name of VC&MD instead of Corporation. However office door number was mentioned in the certificates. Further the department of Mines & Geology (DMG) confirmed vide letter No.4118/S/ 2005, dt.07.10.2013 that the Corporation had paid the amounts in the form of National Savings Certificates towards security deposit at the time of execution of quarry lease deeds duly pledged in the name of Asst Director of Mines and Geology, Hyderabad towards Mine Zones. Further, the Corporation addressed a letter to the General manager Indian post office on 2-5-2014 duly informing that all the National Savings Certificates were issued in the name of the individuals and that since cheques were issued by the A.P.M.D.C. to the postal authorities at the time of purchase of NSC Certificates the Corporation and not the individuals will submit the NSC after its maturity date and requested for remittance of matured amount in favor of M/s. APMDC.				
Allocation to Two Regions:				
	A.P.	T.S	Total	
Head Office	70,56,953	50,43,447	1,21,00,400	
Branches	<u>21,500</u>	<u>0</u>	<u>21,500</u>	
	<u>71,28,453</u>	<u>50,43,447</u>	<u>1,21,71,900</u>	71,28,453
(Refer Note - 5 - b )				AP: 71,28,453 TS: 50,43,447 <u>1,21,71,900</u>



iii). Deferred Tax ( Refer Note- 20 )

A	Deferred tax Asset	Figures as at end of 31 <sup>st</sup> March, 2016 (Rupees)		Figures as at end of 31 <sup>st</sup> March, 2015 (Rupees)	
	Provisions				
	Group Leave encashment Premium payable			82,26,818	27,96,295
	Group Gratuity Premium payable			43,09,137	14,64,676
	Bonus Payable	52,87,118	18,29,766	39,56,053	13,44,676
	Bad & Doubtful Debts	2,65,86,048	98,93,059		
	Bad & Doubtful Advances	13,51,98,523	4,67,89,505		
	Reclamation & rehabilitation exp. for Mined out areas	8,03,27,500	2,77,99,741		
	Total Deferred Tax Asset	24,93,99,189	8,63,12,071	1,64,92,048	56,05,647
B	Deferred tax Liability				
	Fixed Assets ( Net Block ) as per Co.Act	15,15,49,835		9,68,73,663	
	Fixed Assets ( Net Block ) as per I T Act	12,35,47,745		6,98,99,853	
	Difference	2,80,02,090	96,90,963	2,69,73,810	91,68,398
	Total Deferred tax Liability		96,90,963		
	Net Deferred tax Asset (Refer Note -20 )		7,66,21,108		1,47,74,095

### III). Liabilities :

i). Other Liabilities include amount collected towards Service Tax from buyers who had paid under protest and the matter is pending with Service Tax Appellate Tribunal, Bangalore. Pending disposal of appeal, a sum of Rs. 2,00,00,00/- has been paid on 10-08-2012 as advance payment ( also refer Note -3-v ( e )	5,21,36,319	5,21,36,339
	35,77,120	22,44,446
	5,57,08,439	5,43,80,585





<p>ii). Amount recovered from contractors toward payment of VAT on the Explosives supplied to the contractor was treated as deemed Second sale by appropriate authorities. The Corporation preferred appeal against the same which has been decided in favor of the company. (also refer Note - 3 - v - (e))</p>	2,06,42,866	1,64,57,678
<p>iii). The Government notifies Miners Contribution to District Mineral Foundation fund and National Mineral Exploration trust fund on 17th September 2015, The miners have to contribution ( 30% ) and (2% ) on the applicable Royalty to the District Mineral foundation and National Mineral Exploration Trust fund, miners who were awarded leases before January 12,2015. Accordingly the District Mineral Foundation Fee for Rs,22,54,071/ and National Mineral Exploration Trust fund Rs.1,50,272 from January 12,2015 the date of coming into force of the MMDR Act. Accordingly the amounts have been adjusted against the Infrastructure Development Fund Rs.11,15,035 and balance amount of Rs. 12,89,308 has been recovered from the Buyers of Barytes.</p> <p>a) District Mineral Foundation Fees</p> <p>b) National Exploration Trust Fund ( Merit )</p> <p>( also refer Note - 3 - v - b</p>	<p>11,99,37,184</p> <p>79,95,819</p>	<p>22,54,071</p> <p>1,50,272</p>
<p>iv) i) Provision has been made for shortfall quantity of overburden from the financial year 2012-13 onwards in the books of accounts under the head of account 'Excavation &amp; Transport charges' of OB shortfall as per the stripping ratio. The aggregate amounts till the end of the period i.e., 31-03-2015</p> <p>ii) The stripping ratio as per the Mining Plan between ROM &amp; Overburden removal is 1 MT: 2.78 CBM. However, for the period from 01/04/2015 to 31/03/2016, the stripping ratio between ROM&amp; Overburden Removal is 1 MT: 0.82 CBM. It indicates that there is a significant shortfall in the quantity of Overburden removal against excavation of ROM. Hence the difference in Overburden removal value has been provided in the books of accounts based on the average rate of Rs.218.48 per CBM.</p> <p>Previous year</p> <p>Current year</p>	<p>1,05,50,74,715</p> <p>1,13,05,89,737</p>	<p>77,25,05,587</p> <p>28,25,69,128</p>



The aggregate amounts till the end of the Financial year as on 31-03-2016 (also include refer Note - 3-iv)	<u>2,18,56,63,952</u>	<u>1,05,40,73,715</u>
<p>v). As per clause 10 of the agreement entered with the joint venture companies, the Corporation has collected 5% consideration amount payable by each joint venture company and the same amount would be spent by a designated committee for infrastructure and other facilities in mining villages and as per clause(11)(5) of the Sale Agreements of Barytes, the Corporation collected @Rs.10/- per MT up to August,2011 and @ 1% of the sale value w.e.f.September,2011 towards Infrastructural development fees. The amounts so collected were shown as other liabilities.</p> <p>i) Aggregate amount at the beginning of the year Less: Expenditure during the year</p> <p>ii) For the current year Aggregate amount at the closing of the year (Refer Note -3 - v - f)</p>	<p>19,23,79,258 <u>(1,04,26,128)</u> 18,19,53,130 <u>74,24,761</u> <u>18,93,77,891</u></p>	<p>18,16,66,352 <u>(51,47,094)</u> 17,65,19,258 <u>58,60,000</u> <u>19,23,79,258</u></p>
<p>vi). The Corporation has not recognized the amount recovered from contractor towards penalties and kept the same under Penalty Suspense A/c since the matter was subjudice, at the close of the year</p> <p>i). The amount in subjudice (B Kumarswamy Reddy)</p> <p>ii). Balance amount for Annual review of contract period ( also refer Note - 3 - v - b</p> <p style="text-align: right;">Total</p>	<p>63,42,418 <u>17,33,53,617</u> <u>17,96,96,035</u></p>	<p>63,42,418 <u>16,57,34,941</u> <u>17,20,77,359</u></p>



## IV). Statement of Profit & Loss Items

i). Corporate Social Responsibility:

a. Gross amount required to be spent by the company during the year is Rs.7,23,6,759.

b. Amount spent during the year on

S. No	Particulars	Paid In cash	Total
1	Construction / Acquisition of any assets		
	ON Purposes other than one above ( Refer Note 17 - Is )	1,11,13,338	1,11,13,338

ii). Impact in the Statement of Profit & Loss due to Changes in the Policies:

New Project expenditure is treated as Revenue expenditure as per the accounting policy, due to this the impact in the Profit and Loss is Rs.4,64,76,624/-.

( refer Note - 17 - (i)- (iv)

Particulars	2015-16
Revenue	7,01,82,68,520
Total Expenditure ( Inclusive of New Project expenses )	2,93,96,35,262
Profit Before Tax ( PBT )	4,07,86,13,258
Less: New Project expenses	(4,64,76,624)
Expenditure after excluding of New Project expenses	2,89,31,28,638
Profit before tax (excluding New Project exp. )	4,12,50,89,882
Effect in P & L Account on the issue of New Project Expenses	(4,64,76,624)



iii). Earnings per Share

Particulars	As on 31 March 2016 Rs.	As on 31 March 2015 Rs.
Profit after tax	2,21,06,94,758	88,84,82,346
Profit available for Equity Shareholders	2,21,06,94,758	88,84,82,346
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic Earnings Per Share	35,373.04	14,089.03
Equity shares used to compute diluted earnings per share	63,062	63,062
Diluted Earnings Per Share	35,373.04	14,089.03

(V). a ) General Items

	2015-16	2014-15
<b>i). Employees Benefits:</b>		
<b>a). <u>Defined Contribution Plan</u></b>		
Employers Contribution to Provident Fund	78,72,741	43,56,501
Employers Contribution to Pension Fund	46,32,697	35,15,808
<b>b). <u>Defined Benefits Plan:</u></b>		
The Employees Gratuity fund scheme and Leave Encashment Fund scheme, which are managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present values of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit separately to build up the final obligation. The Obligation for leave encashment is recognized in the same manner as Gratuity.		



(ii). Valuation Results:			
i) Changes in the Present Value of Obligation			
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)
	2015-16	2014-15	2015-16
Defined Benefit Obligation at the beginning	43,09,137	-	82,26,818
Current Service Cost	16,54,783	-	36,18,784
Interest Cost	-	-	-
Prior Service Cost - Vested benefit	-	1,79,45,045	-
Prior Service Cost - Non Vested benefit	-	-	-
Curtailments	-	-	-
Benefits Paid directly by the Company	-	-	-
Benefits Paid from Fund	(2,03,06,285)	(1,26,35,908)	(1,75,55,977)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-	-
Actuarial Loss / (Gain) on Obligation	6,68,32,751	-	5,27,31,712
Defined Benefit Obligation at the end	5,24,90,386	43,09,137	4,70,21,938





ii) Changes in the Fair Value of Plan Assets				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Fair Value of Plan Assets at the beginning	4,36,36,106	4,65,15,905	4,11,27,445	4,13,62,135
Mortality, Policy Admin Charges, FMC and Other Adjustments	4,80,985	-	3,75,270	-
Expected Return on Plan Assets	30,90,882	39,90,734	27,75,742	36,42,219
Employer Contributions	70,67,186	67,65,316	17,85,316	34,60,033
Employee's Contributions	-	-	-	-
Benefits Paid	(2,03,06,285)	(1,36,35,908)	(1,75,55,377)	(73,36,941)
Net transfer in/(out) (including effect of any business combinations / divestitures)	-	-	-	-
Actuarial Gain / (Loss) on the Plan Assets	3,25,017	-	2,17,113	-
Fair Value of Plan Assets at the end	3,42,93,892	4,36,36,106	2,87,25,510	4,11,27,445
iii) Expenses Recognized in the Profit and Loss Account				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Current Service cost	16,54,783	-	36,18,784	-
Interest Cost on Obligation	-	-	-	-
Past Service Cost	-	1,79,45,045	-	1,55,63,789
Expected Return on Plan Assets	(30,90,882)	(39,90,734)	(27,75,742)	(36,42,219)
Amortization of Prior Service Cost	-	-	-	-
Net Actuarial (Gain) / Loss to be recognized	6,65,07,734	-	5,25,14,599	-
Transfer In / Out	-	-	-	-
Curtailment (Gain) / Loss recognized	-	-	-	-
Settlement (Gain) / Loss recognized	-	-	-	-
Expense recognized in Profit and Loss Account	6,50,71,635	1,39,54,312	5,23,57,652	1,19,21,540



iv) Amount for the Current Period				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Actuarial Loss / (Gain) for the current period - Obligation	6,68,32,751	-	5,27,31,712	-
Actuarial Loss / (Gain) for the current period - Plan Assets	(3,25,017)	-	(2,17,113)	-
Total Actuarial Loss / (Gain) for the current period	6,65,07,734	-	5,25,14,599	-
Actuarial Loss / (Gain) lost recognized in the current period	6,65,07,734	-	5,25,14,599	-
v) Movement in the Liability recognized in the Balance Sheet				
Particulars	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Present Value of Obligations as at the beginning	43,09,137	-	82,26,818	-
Expenses Recognized in P & L Statement	6,50,71,635	1,39,54,312	5,33,57,642	1,19,21,540
Benefits Paid	(2,03,06,285)	(1,36,35,908)	(1,75,55,377)	(73,36,941)
Actual Return on Plan Assets	34,15,900	39,90,734	29,92,855	36,42,219
Acquisition Adjustment	-	-	-	-
Present Value of Obligations as at the end (refer Note -3 - vi- (a & b))	5,24,90,386	43,09,137	4,70,21,938	82,26,818
vi) Major categories of Plan Assets (as percentage of Total Plan Assets)				
Plan assets	Gratuity(Rupees)		Leave Encashment(Rupees)	
	2015-16	2014-15	2015-16	2014-15
Equities	-	-	-	-
GLTs	-	-	-	-
Bonds	-	-	-	-
Insurance Policies	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%



**Note on Assertion:**

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The amounts for the current annual period and previous four annual periods of:

**(a). Defined Benefit - Gratuity Plan - As per AS - 15**

	2015-16 (Rs)	2014-15 (Rs)	2013-14 (Rs)	2012-13 (Rs)	2011-12 (Rs)
(i). The Present Value of the defined Benefit obligation	5,24,90,386	43,09,137	5,46,69,950	5,77,98,139	6,42,53,388
(ii). The fair Value of Plan of Asset	3,42,93,892	4,36,36,106	5,11,67,561	5,74,10,613	6,01,21,628
Surplus / deficit	1,81,96,494	(3,93,26,968)	35,02,389	23,87,526	41,31,760
II. The experience adjustments arising on					
A. The plan liabilities expressed either as (1) an amount or (2) a percentage of the plan liabilities at the balance sheet date, and	0.74%	0.00%	35,02,389	23,87,526	41,31,760
B. The Plan assets expressed Either as (1) an amount or (2) percentage of the plan asset at the balance sheet date,	3,42,93,892	4,36,36,106	5,11,67,561	5,74,10,613	6,01,21,628



(b). Defined Benefit - Leave Encashment Plan - As per AS - 15

	2015-16	2014-15	2013-14	2012-13	2011-12
(i). The Present Value of the defined benefit obligation	4,70,21,938	82,26,818	5,34,09,664	4,22,79,176	4,61,86,120
(ii). The fair Value of Plan of Asset	2,87,25,510	4,11,27,445	4,54,98,348	3,88,21,605	3,60,48,914
Surplus / deficit	1,82,96,428	(3,29,00,627)	79,41,316	34,57,571	1,01,37,206
(1). The experience adjustments arising on					
A. the plan liabilities expressed either as (1) an amount or (2) a percentage of the plan liabilities at the balance sheet date	(0.53%)	0.00%	79,41,316	34,57,571	1,01,37,206
B. the Plan assets expressed Either as (1) an amount or (2) percentage of the plan asset at the balance sheet date.	2,87,25,510	4,11,27,445	4,54,98,348	3,88,21,605	3,60,48,914
b) <u>Other General Items</u>					
Disclosure in accordance with Sec.22 of Micro, small and medium enterprise development Act, 2006.					



(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v). The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowances & deductible expenditure under section 23, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the information available of Companies	Nil	Nil





II).The details in respect of Subsidiary/Joint Venture / Associated Companies holding Investment by the Corporation as on 31<sup>st</sup> March,2016are given below:

Statement showing the Investment in Subsidiary Companies and Joint Venture Companies and Associated Companies.							
	Name of the JV Company	% of Equity Shares	No. of Equity Shares held	Rate per Share	Share amount	Income Rs.	Profit after Tax(+)/Loss (-)
i	<b>Trade Investment In Subsidiary Companies</b>						
1.	M/s Ongole Iron Ore Mining Company(P) Ltd ,	51%	56,100	10	56,1000	Operation are not Commenced	(6,18,647)
2.	M/s.APMDC-SCCL Suliyan Coal Company Ltd.	51%	5,100	10	51,000	Operations are not Commenced	0
3.	M/s Andhra Phosphate(P) Ltd.	50%	1,110	1,000	11,10,000	16,00,633	(17,83,676)
4.	M/s Nuagaon Coal Company Ltd.	50%	59,570	100	59,57,040	Terminated the JV Agreement	0
ii.	<b>Trade investment in Joint Venture Companies</b> <b>Free-ride Equity Shares for Consideration other than Cash</b>						
1	M/s A.P.Granites (Midwest)(P) Ltd.	11%	11,00,000	10	1,10,00,000	77,64,52,436	22,50,978
2	M/s Pallava Red Granites(P) Ltd.,	11%	11,00,000	10	1,10,00,000	13,60,64,683	(7,14,05,534)
3	M/s Gimpex AP Barytes Beneficiation(P) Ltd.,	11%	1,320	10	13,200	0	(8,31,004)
4	M/s Andhra Barytes Corporation (P) Ltd.,	11%	8,52,500	10	85,25,000	16,62,59,118	(50,93,549)
5	M/s Andhra Pradesh Iron	11%	6,350	10	63,500	0	(1,57,652)



	Ore Company Ltd.						
6	M/s Trimex Barite Pvt. Ltd.	11%	4,50,000	10	45,00,000	0	(15,438 )
7	M/s V.V.Minerals	11%	1,100	100	1,10,000	Not in operation +	
8	M/s Alliance A.P.Black Galaxy Granites(P) Ltd.,	11%	11,00,000	10	1,10,00,000	Not in operation. Provision made for diminution in the value of shares.	
iii	Investment in Associated Companies Free-ride Equity Shares for Consideration other than Cash						
1	M/s Andhra Pradesh Tribal Mining(P) Ltd	26%	28,600	10	2,86,000	Not in operation. Provision made Doubtful \ investments in the value of shares.	
2	M/s A.P.Coastal Sand & Metals(P) Ltd.	26%	13000	10	1,30,000	Not in operation.	
3	M/s SRAP Minerals Ltd.	26%	3,25,000	10	32,50,000	Not in operation. Provision made for diminution in the value of shares.	

#### IV) Related Party Disclosures (As - 38)

(i). List of Related parties with whom transactions have taken place and their relationships:

A	Subsidiary Companies:	% of Share holding
1	M/s.Ongole Iron Ore Mining Company ( P ) Ltd	51%
2	M/s.Andhra Phosphate Ltd.,	50%
B	Joint Venture Companies	% of Share holding
1	M/s.A.P. Granites ( Midwest ) (P) Ltd	11%
2	M/s.Pallava Red Granite ( P ) Ltd	11%
3	M/s.Glimpex A.P. Barytes Beneficiation ( P ) Ltd	11%
4	M/s.AndhraBarytes Corporation ( P ) Ltd	11%
5	M/s.Andhra Pradesh Iron Ore Company Ltd	11%
6	M/s.Trimex Barite Private Ltd	11%
C	Associate Companies	% of Shareholding



1	M/s.A.P. Coastal Sands & Metals (P) Ltd	26%
2	M/s.SRAP Minerals (P) Ltd	26%
D	Key Management Personnel:	
1	Sri M. Hari Narayanan, I.A.S.	VC & M.D

**ii) Amounts Revenue from the related parties**

Name of the party	Consideration	Expenses	Revenue	Other income (Dividend)
I.M/s.A.P.Granites (Midwest) P Ltd	12,09,17,574	Nil	12,09,17,574	13,20,000
ii).M/s.Pallava Red Granites	2,75,77,634	Nil	2,75,77,634	

**iii) (a) Amount Due (to) / from related parties:**

Party Name	2015-16	2014-15 (02.06.14 to 31.03.15)
1) M/s.SRAP Minerals	44,95,889	44,95,889
2) M/s.A.P.Granites (Midwest) P Ltd	9,84,87,723	7,80,30,892
3) M/s.Alliance A.P.Black Galaxy Granites (P) Ltd	17,20,665	17,12,980
4) M/s.Pallava Red Granites	3,65,07,467	2,37,58,346
Also refer includes Note 7 - a & b		

**(b) Balance during the year with Related Parties**

S.no	Particulars	Closing Balance as on 31-03-16	Closing Balance as on 31-03-15
1.	Investment in		
	i) Subsidiary Companies	16,71,000	16,71,000
	ii) Joint Venture Companies	3,51,06,700	3,51,06,700
	iii) Associate Companies	33,80,000	33,80,000
2.	Investment deration / provision		
	i) Subsidiary Companies	16,71,000	22,11,210
	ii) Joint Venture Companies	3,52,36,700	3,56,32,700
	iii) Associate Companies	-	-
3.	Key Management personnel Remuneration	10,92,881	8,15,538



IV). Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:

	2015-16	2016-17
M/s.SRAP Minerals	44,95,889	1,10,393

V). Treatment demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.
- In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions
- The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC&TSMDC and the formula for bifurcation was approved.
- The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for this purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.
- As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - o APMDC -58.32%
  - o TSMDC -41.68%
- APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019,  
The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lt. No APMDC/F&A/Demerger/2019- 20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities



Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Ratio		58.32%	41.68%
Share holders Funds			
a) Share capital	6,30,62,000	3,67,77,758	2,62,84,242
b) Reserve & Surplus	1042,81,41,579	608,16,92,169	434,64,49,410
Deferred Govt Grants	18,668	11,004	7,864
Current / Non Current liabilities			
a). Deferred Tax Liability	23,58,465	13,75,457	9,83,008
b). Trade Payables	233,80,03,303	136,85,23,526	97,44,79,777
c). Other Current Liabilities	66,68,27,321	38,88,93,694	27,79,33,627
d). Provisions	10,72,29,568	6,25,36,284	4,46,93,284
Total	1360,56,41,104	793,48,09,892	567,08,31,212

Assets	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Non-Current Assets			
a). Fixed Assets (WDV)	3,44,04,765	2,00,64,859	1,43,39,906
b) Non-Current Investment	4,99,44,310	2,91,27,522	2,08,16,788
c). Loans & Advances	366,00,22,375	213,45,25,049	152,54,97,326
Current Assets			
a). Inventories	13,93,449	8,12,659	5,80,790
b). Trade receivables	1,65,67,636	96,59,329	69,03,307
c). Cash & Bank Balances	4,38,852	2,55,938	1,82,914
d). Fixed Deposits - BG	137,77,71,631	80,06,00,415	57,21,71,216
e). Other Fixed Deposits	816,21,34,483	476,01,56,830	340,19,77,653
f). Other Current Assets	47,54,52,729	24,81,23,740	17,73,28,489
Total	1372,31,24,730	800,33,26,345	571,97,98,387

Necessary adjustments will be made in respect of distribution of Investments of free ride equity shares, corresponding capital reserve, other investments and share Capital in the year in which the distribution of Assets & liabilities will be made, after the approval of the both States on the recommendations of the Expert Committee. The portion of share capital Rs.





2,62,84,242/- will be transferred pertaining to Telangana Region, in the form of equivalent cash.

VI). The figures of last financial year are not comparable to the current financial year as they show the status of 9 months 29 days (i.e. 02.06.2014 to 31.03.2015).

VII). Previous year's figures are rearranged/regrouped wherever necessary.

As per our report of even date attached for and on behalf of the Board

For VENUGOPAL & CHENY

(F.R.No.0046715)

Chartered Accountant


  
(C.V. VENKATAANKINATH)  
(M.No.029505)  
Partner




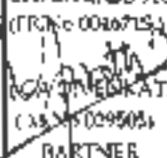

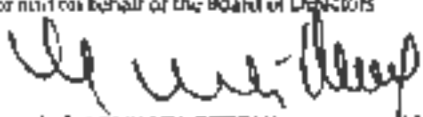
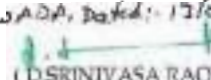

Place: HYDRABAD

Date : 05/06/2021

  
( V.G.VENKATA REDDY )  
VICE-CHAIRMAN &  
MANAGING DIRECTOR (FAC)  
VISU-AWARD, Dated: 13/05/2021

  
( I.MOHAN RAO )  
(Director)  
VISU-AWARD, Dated: 13/05/2021

  
(D.SRINIVASA RAO)  
(DMG (FAC, F&A))

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2016			
	For the year ended 31.03.2016		For the Period from 01.06.14 to 31.03.15
<b>CASH FLOW FROM OPERATING ACTIVITIES.</b>			
Profit before taxation		3,73,61,70,015	1,34,22,36,158
Adjustment for			
Depreciation	3,60,10,877		2,51,06,851
Interest on F.D. Etc Deposits & Nsc Bonds	(1,06,60,11,447)		(12,05,66,409)
Dividend Income	(13,20,000)		(13,20,000)
Interest expenses	56,35,891		45,20,548
Excess Provision written back	(2,01,24,996)		(2,06,142)
Profit on sale of Fixed Assets	(9,000)		-
Govt Grant Amortised			(18,868)
Capital WIP charged to Welfare expenses	4,314		
Fixed Assets written off	46,042		-
Provision for Bad & Doubtful Advances	13,50,65,998		
Provision for Bad & Doubtful debts	2,01,57,295		
Provision for Bad & Doubtful Investments	62,24,080		
Other written off	1,67,61,620		85,214
Loans & Advances written off	88,308	(87,73,60,858)	(84,34,85,270)
Operating Profit before working capital changes		2,65,91,09,157	49,97,51,939
Trade receivables	(2,59,41,738)		2,10,58,620
Investments	5,38,96,125		(28,77,46,842)
Current Liabilities	(97,97,05,046)		(11,03,54,073)
Loans & Advances, Deposits	(2,13,32,63,930)		1,61,52,97,750
Other Current Assets	60,99,92,532		2,80,61,25,277
Trade payables	7,63,83,531		(1,65,44,80,128)
Other Long term Liabilities	1,50,29,78,847		1,29,42,05,043
Provisions	16,71,74,365	(16,89,85,304)	66,64,294
Transfer to TS Reserve			(4,35,86,71,467)
Taxes paid		(1,89,51,82,143)	(66,13,41,757)
Cash flow from Operating activities		29,19,41,710	(1,02,52,92,404)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets & WIP	(6,84,85,026)		(4,20,79,576)
Dividend received	13,20,000		13,20,000
Interest on F.D. Etc Deposits & NSC Bonds	1,06,60,11,447		1,07,89,05,696
Investment in Investments & NSC	(56,72,000)		56,89,147
Sale of Assets	9,000		6,40,936
Cash flow from Investing activities		99,31,83,581	1,04,13,29,313
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans	(15,00,30,000)		15,00,00,000
Interest on loans	(56,95,891)		
Cash flow from Financing activities		(15,56,15,891)	15,00,00,000
Net increase/(decrease) in cash and equivalents		1,13,24,29,790	16,82,36,999
Cash & bank balances at beginning of the year		17,81,84,131	99,07,132
1)		1,31,06,13,331	17,81,84,131
increase/(decrease) in cash and equivalents		1,13,24,29,790	16,82,36,999
<div><div><div>For VENUGOPAL &amp; CHENDY CHARTERED ACCOUNTANTS (Firm No 0010715)  V.G. VENKATA REDDY (JACKINATHI) (CA No 009503) PARTNER Place: HYDRABAD Date: 06/04/2016</div><div></div><div><div>For and on behalf of the Board of Directors  V.G. VENKATA REDDY) V.C &amp; M.D (FAC) VTS AYAPADA, Dated: 12/05/2016  D. SRINIVASA RAO JOINT (FAC, T &amp; A)</div><div> L. MOHAN RAO) DIRECTOR VTS AYAPADA, Dated: 12/05/2016</div></div></div></div>			

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Estd: 24th Feb.,1961)

**Form AOC- 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5  
of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries  
or associate companies or Joint ventures**

**Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	S.No	1	2
2	Name of the Subsidiary	M/s Ongole Iron Ore Mining Company Pvt Ltd	M/s Andhra Phosphate Private Limited
3	The date since when subsidiary was acquired	04.06.2010	28.07.1975
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	No	No
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	No	No
6	Share capital	11,00,000	22,20,000
7	Reserves and surplus	(28,12,696)	(37,37,439)
8	Total assets	4,50,91,843	40,65,028
9	Total Liabilities	4,50,91,843	40,65,028
10	Investments	Nil	Nil
11	Turnover	Nil	15,43,300
12	Profit before taxation	(6,18,647)	(19,66,455)
13	Provision for taxation	Nil	1,82,779
14	Profit after taxation	(6,18,647)	(17,83,676)
15	Proposed Dividend	Nil	Nil
16	Extent of shareholding (In percentage)	51%	50%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations (Annexure-A)
- Names of subsidiaries which have been liquidated or sold during the year -Nil



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED ( Estd: 24th Feb.,1981)**

**Part B Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates or Joint Ventures	Joint Ventures							
	M/s Andhra Baryte Corporation Private Limited	M/s Andhra Pradesh Iron Ore Company Ltd	M/s Gimpex AP Barytes Beneficiation Private Limited	M/s Trimex Barite Private Limited	M/s Andhra Pradesh Granite (MIDWEST) Private Limited	M/s Pallevaru Granite Private Limited	M/s V.V Minerals Private Limited	M/s Alliance Andhra Pradesh Black Galaxy Granite Private Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016		
2. Date on which the Associate or Joint Venture was associated or acquired	15.04.2010	01.06.2010	24.04.2010	05.11.2011	11.04.2007	26.03.2008	30.08.2012	29.03.2010
3. Shares of Associate or Joint Ventures held by the company on the year end								
No.	8,52,400	6,850	1,320	4,50,000	11,00,000	11,00,000	1,100	11,00,000
Amount of Investment in Associates or Joint Venture	85,25,000	68,500	13,200	45,00,000	1,10,00,000	1,10,00,000	1,10,000	1,10,00,000
Extent of Holding (in percentage)	11%	11%	11%	11%	11%	11%	12.36%	11%
4. Description of how there is significant influence								
5. Reason why the associate/joint venture is not consolidated.							Agreement expired in FY 2013-14	JV agreement is not exist in the FY 2015-16
6. Net worth attributable to shareholders as per latest audited Balance Sheet	52,63,731	(50,62,034)	(30,65,419)	38,29,584	2,11,45,664	89,79,976		
7. Profit or Loss for the year	(50,93,549)	(1,57,652)	(3,31,004)	(15,438)	22,50,978	(7,14,05,534)		
i. Considered in Consolidation	(5,60,291)	(17,341)	(91,401)	(1,699)	2,47,608	(78,54,609)		
ii. Not Considered in Consolidation	(45,33,258)	(1,40,311)	(7,39,603)	(13,740)	20,03,370	(6,35,50,925)		



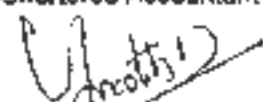
**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Estd: 24th Feb.,1961)

Name of Associates or Joint Ventures	Associate Companies		
	M/s SRAP Minerals Private Limited	M/s A.P.Coastal Sand & Metals Pvt. Ltd.	M/s Andhra Pradesh Tribal Mining (P) Ltd
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016	
2. Date on which the Associate or Joint Venture was associated or acquired	21.05.2003	09.01.2009	20.03.2002
3. Shares of Associate or Joint Ventures held by the company on the year end			
No.	3,25,000	13,000	28,600
Amount of Investment in Associates or Joint Venture	32,50,000	1,30,000	2,86,000
Extent of Holding (In percentage)	26%	26%	26%
4. Description of how there is significant influence			
5. Reason why the associate/joint venture is not consolidated.	Not Considered in CFS in accordance with Para -18 of AS-23, since the carrying value of Investment is nil because of Accumulated Losses.		Company is Strike off as per the Records of MCA Portal
6. Net worth attributable to shareholding as per latest audited Balance Sheet	(81,06,902)	(27,123)	
7. Profit or Loss for the year	(3,40,792)	(17,001)	
I. Considered in Consolidation		(4,420)	
II. Not Considered in Consolidation	(3,40,792)	(12,581)	

- Names of associates or joint ventures which are yet to commence operations.(Annexure-B)
- Names of associates or joint ventures which have been liquidated or sold during the year -Nil
- All Shares are acquired as free right equity shares

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For VENUGOPAL & CHENY  
(F.R.No.004671S)  
Chartered Accountant

  
(C.A.D. VENKATA JANKINATH)  
(M.No.029505)  
Partner



  
(V.G VENKATA REDDY) (FAC)  
VICE-CHAIRMAN &  
MANAGING DIRECTOR

VISAYAWADA, Date: 13/05/21

  
(I. MOHAN RAO)  
Director

VISAYAWADA, Date: 12/05/21

Place: HYDERABAD  
Date: 05/06/21

  
(D SRINIVASA RAO)  
JDMG(FAC, F&A)



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
( Estd: 24th Feb.,1961)

**Annexure-A**

		<u>Subsidiary Companies</u>	
1	Names of subsidiaries which are yet to commence operations / stricken off / dormant	M/s APMDG SCCL Suliyari Coal Company Ltd	M/s NUAGON COAL COMPANY LTD
2	Present status	Not Commence operations	Dormant Company U/s 455 as per the records of MCA portal.

**Annexure-B**

		<u>Joint Venture Companies</u>					
1	Names of joint ventures which are yet to commence operations / stricken off/dormant	M/s Aswan Mineral Development (P) Ltd.	M/s Arham Minerals Exports (P) Ltd	M/s Isra Minerals Exports (P) Ltd	M/s Margasree Granites (P) Ltd	M/s Ongole Minerals Exports (P) Ltd	M/s RLP Granites (P) Ltd
2	Present status	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC	Due to continuous default the company stricken off by the ROC



## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members,  
The Andhra Pradesh Mineral Development Corporation Limited,  
Hyderabad.

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of The Andhra Pradesh Mineral Development Corporation Limited (herein referred to as "the Holding Company"), and its subsidiaries, (the Holding Company and its subsidiaries, together are referred to as "the Group"), its associates and Jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31, 2016. Consolidated Statement of Profit and Loss for the year ended on that date and a summary of the Significant Accounting Policies and other information annexed thereto (herein after referred to as "the consolidated financial statements")

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013, ( the Act ) that give a true and fair view of the consolidated financial position, financial performance and cash flows of the Group, its associates and Jointly controlled entities. In accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group/ its associates /and jointly owned entities and for preventing and detecting other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company. as aforesaid.



### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting standards and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

- a) As per para 20 of AS-21(Consolidated Financial statements), para 25 of AS-23(Accounting for Investments in consolidated financial statements) and para 34 of AS-27(Financial Reporting of interests in Joint Ventures),"in case the subsidiaries/associates/ jointly owned entities use accounting policies other than those adopted for Consolidated financial statements appropriate adjustments should be made, if not practicable to do so, then the fact should be disclosed together with the proportions of the items in the Consolidated financial statements Though different accounting policies have been applied while preparing consolidated financial statements such disclosure with regard to different accountings polices applied along with the proportions of the items in



the consolidated financial statements to which the different accounting policies have been applied has not been disclosed. Such non disclosure is not in compliance with the said para 20 of AS-21, para 25 of AS-23 and para 35 of AS-27. In the absence of any details, we are not able to quantify the same.

- b) In terms of S.129(3) r/w s.129(4), of Companies Act, 2013 the Consolidated Cash flow statement is to be prepared and presented. However, such a cash flow statement has not been prepared, which is not in compliance with the said section
- c) While preparation of Consolidated Financial statement of the Group, Preference share capital issued by the Joint Venture companies (i.e, ANDHRA BARYTE CORPORATION PVT LTD & PALLAVA RED GRANITE PRIVATE LTD) is taken into share capital – (i.e, Note-1) of the Consolidated Financial statement which is not compliance with the AS-27. This has resulted in overstatement of the share capital account by ₹70,40,000/-
- d) As per para 14 of AS-21, para 6 of AS-23 & para 37 of AS-27, parent portion of equity Shall be derived from balance sheet as on the date of Investment. In case balance sheet is not available or impracticable to draw the balance sheet on the date of investment, then immediate preceding financial year's balance sheet shall be considered and adjustment for effect of significant transactions are events between the date of financial statement and date of investment.

However the same has not been followed while calculating Capital Reserve/ Goodwill in the following companies as required by the said accounting standards. In the absence of complete information we are not able to quantify the financial impact of the same.

- 1. Andhra Baryte Corporation (P) Ltd
- 2. Andhra Pradesh Iron Ore Company Ltd
- 3. Gimpex AP Barytes Beneficiation (P) Ltd
- 4. Trimex Barite Private Ltd
- 5. Pallava Red Granites ( P ) Ltd
- 6. A.P.Coastal sands & Metals Pvt Ltd

Moreover the Goodwill/capital reserve of Rs.1,43,01,956/- calculated by the parent company for the above said companies is adjusted in Opening Balance of Surplus under Reserve & Surplus instead of showing separately as Goodwill in Assets and Capital Reserve in Reserve & Surplus. The said adjustment in consolidated financial statement is not in line with para 13 of AS-21, para 12 of AS-23 & para 37 of AS-27.



Hence, Surplus is overstated by Rs.1,43,01,956/- consequently capital reserve is understated.

**e) Minority Interest:**

1. Minority interest for the said subsidiaries of Rs.16,49,000/- is added to the Opening Balance of Surplus under Reserve & Surplus instead showing as "Minority Interest" on under liabilities separately in the Consolidated Balance Sheet which is not compliance with para 13(e) of AS-21. Hence, Surplus under Reserve & Surplus is overstated by Rs. 16,49,000/- consequently Minority interest is understated.
  2. Minority interest of Rs.16,49,000/- for subsidiaries that is in case of Andhra Phosphate Private Limited and Ongole Iron Ore Mining Company Private Limited is not been calculated properly as required by para 13 of AS-21. In our opinion the same as per the latest available balance sheet of said subsidiaries should have been (Rs.28,27,581)/-.
- f) Capital reserve of Rs.1,61,91,000/- was created by parent company at the time of receipt of free ride equity shares of the following Companies. However while preparing Consolidated Financial Statement of Group, Capital reserve of Rs.1,61,91,000/- is not been eliminated which is not in compliance with AS-21, AS-23 & AS-27. Consequently the capital reserve has been overstated by the said amount. The details are as follows:

S.No	Particulars	Amount in Rs.
1	A.P.Granites(Midwest) P Ltd	1,10,00,000
2	A.P.Coastal sands & Metals Pvt Ltd	1,30,000
3	Ongole Iron Ore Mining Company Pvt Ltd	5,61,000
4	Trimex Barite Private Ltd	45,00,000

- g) ONGOLE IRON ORE MINING COMPANY (P) LTD recognise Intangible assets of Rs.5,61,000/- for the Lease rights given by the parent company against issue of Free ride equity shares. However the same is not been eliminated in the Consolidated Financial statement. Accordingly, Intangible assets is overstated by Rs.5,61,000/- consequently Capital Reserve is understated.
- h) Inter-company transactions between the companies considered in Consolidated Financial Statements have been eliminated to extent information available. However few companies have not reported related party transaction in notes to





accounts accompanying to their financial statements. In the absence of complete information, we cannot comment or quantify the elimination of Inter-company transactions within the group

In the absence of information para-a, para-d & para-h, as stated in paras above, we are not able to quantify the true impact on the financials

**Basis for Disclaimer of Opinion (as stated in the report of standalone financials)**

- a) The company has, during the previous year passed entries for "bifurcation" (based on the recommendations of a Committee and as per G.O. issued by the Govt. of A.P.), except w.r.t. Share capital. We are informed that such an exception is based on the agreement between the two companies (APMDC & TSMDC) for which no written document was produced for our verification. Hence, we are not able to comment on the appropriateness of not passing entries for bifurcation of share capital.
- b) In the absence of details of total area/ area mined out, we are not able to comment on the appropriateness of the provision for reclamation and rehabilitation expenses of Rs.6,00,73,000.(Note No19)
- c) The amounts transferred to TSMDC. Consequent to bifurcation are subject to confirmation by them.. Hence we are not able to comment on the following amounts (a)Rs.25,80,10,226 (cr) (Demerger adjustment),and Rs 40,75,70,870 (cr)( Interest on FDRs etc allocated to Telangana ) both included in Note 3 (Non current- Other liabilities), (b)Rs.15,00,98,047 (dr)(Advance to Telangana region), Rs.7,70,01,656 (dr) [Telangana Region Advance( Transfer of assets and Liabilities) and Rs. 31,55,58,083(dr) Demerger adjustment on account of FDRs etc) included under Note 9(Non-Current Assets)

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified/Disclaimer Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiaries, its Associates and its jointly owned entities, as at March 31, 2016, and their consolidated profit for the year ended on that date.



### **Emphasis of Matter**

We invite your attention to the matters mentioned below:

- a) We draw attention to Note 21(2)(VI) of Standalone Financial statement of Parent Company, which describes that the figures of last financial year are not comparable to the current financial year as they show the status of 9 months 29 days (i.e. 02.06.2014 to 31.03.2015).
- b) We draw attention to Note 21(2)(V) of Standalone Financial statement of Parent Company, which describes that G.O. has not been issued by Govt. of Telangana for giving finality to the Scheme of Bifurcation. Further, as per S.68(2) of the A.P.re-organisation Act, 2014, "The assets, rights and liabilities of the companies and corporations referred to in sub-section (1) shall be apportioned between the successor States in the manner provided in section 53. In terms of the said section, the Govt. of A.P./ Telangana is yet to issue a G.O."

Our opinion is not modified in respect of this matter.

### **Other Matters**

We did not audit the Financial Statements of two subsidiaries, whose Financial Statements reflect total assets (net) of Rs. 491.57 lakhs as at March 31, 2016, total revenues of Rs. 15.43 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report such other auditor.

We did not audit the Financial Statements of Six jointly owned entities, whose Financial Statements reflect total assets (net) of Rs. 1621.10 lakhs as at March 31, 2016, total revenues of Rs. 1049.63 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly owned entities, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid jointly owned entities, is based solely on the report such other auditor.



We did not audit the Financial Statements of one associate entity, whose Financial Statements reflect total assets (net) of Nil as at March 31, 2016, total revenues of (Rs.0.04) lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) and (11) of section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the report such other auditor.

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable.
2. As required by Section 143 (3) of the Act, we report that
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) Except to the extent matter stated in basis for Qualified/Disclaimer Opinion, in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014



- e) On the basis of the written representations received from the Directors of the Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and the reports of other Auditors of its subsidiaries, associates and Joint ventures incorporated in India, none of the Directors of the Holding company, its Subsidiaries, associates and Joint ventures, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
- The holding company has disclosed the impact of pending litigations as per Note 2 to the Consolidated Balance Sheet.
  - There are no foreseeable losses on long-term contracts including derivative contracts by entered by the Holding Company.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

3. In terms of S.143(5) of the Companies Act, 2013, we report hereunder on the directions issued by C&AG( Based only on Standalone Financials):

S No.	Directions of C&AG	Our Comment
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available	We have not been shown any documents relating to the Leasehold property (835.431Hect). Hence, we are not able to comment on the same
2	Whether there are any cases of waiver/ write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved	There are no cases of Waiver/write off of Debts/loans/interest etc., during the year

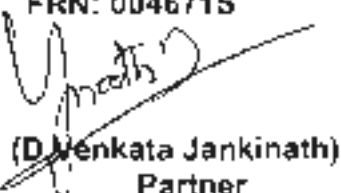


3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities	The company is maintaining proper records for Inventories lying with Third parties. The company has not received any assets as Grants/ gift from Government or other authorities
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Place: Hyderabad  
Date: 05.06.2021



For VENUGOPAL & CHENYO,  
Chartered Accountants,  
FRN: 0046715

  
(D. Venkata Jankinath)  
Partner

Membership No.029505  
UDIN: 21029505AAAADJ9679



**Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **The Andhra Pradesh Mineral Development Corporation Limited** (herein referred to as "the Holding Company") as of 31 March 2016 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

However we have not carried audit for the internal financial controls of its subsidiary companies, its associate companies and jointly controlled companies, since we have not received any reports from the auditors its subsidiary companies, its associate companies and jointly controlled companies

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be



prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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



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

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

### **Opinion**

#### **Qualified Opinion on adequacy ( and therefore operating effectiveness) of Internal Controls Over Financial reporting)**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31,2016;

(1)There is a lack of flow of information via a vis pending litigation with the result that there is no review of such cases and resulting in repetition of amounts stated per earlier years

A "material weakness" is a deficiency, or a combination of deficiencies, in financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim statements will not be prevented or detected on a timely basis

In our,, except for the effects/ possible effects of the material weaknesses described above on the achievement of objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining nature, timing and extent of audit tests applied in our audit of financial



statements of the company and are not able to comment on the effect of such weaknesses on the financial statements of the company

In our opinion to the best of our information and according to the explanations given to us, the Holding Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 except as stated above, based on the internal control over financial reporting criteria established by the Company incorporated in India considering the essential components of internal control stated in the Guidance Note.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to holding Company only.

**Place: Hyderabad**  
**Date: 05.06.2021**



**For VENUGOPAL & CHENYO,**  
**Chartered Accountants,**  
**FRN: 0046715**

  
**(D. Venkata Jankinath)**  
**Partner**  
**Membership No.029505**  
**UDIN: 21029505AAAADJ9679**



# THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

Consolidated Balance Sheet as at 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

		Notes	As at March 31, 2016
I	Equity and liabilities		
1	Shareholders' funds		
a	Share capital	2	1,01,02,000
b	Reserves and surplus	3	9,16,87,02,788
			9,23,88,04,788
2	Minority Interest		0
3	Non-current liabilities		
a	Long-term borrowings	4	1,20,69,452
b	Deferred tax liabilities	5	10,16,867
c	Other Long-term Liabilities	6	2,10,25,61,482
d	Long-term provisions	7	8,18,82,437
			2,19,75,20,639
4	Current liabilities		
a	Short-term borrowings	8	8,10,56,161
b	Trade payables	9	1,14,64,57,885
c	Other current liabilities	10	1,00,51,29,689
d	Short-term provisions	11	23,66,73,221
			2,46,93,16,955
	<b>Total</b>		<b>13,90,56,52,381</b>
II	Assets		
1	Non-current assets		
a	Fixed assets		
	Tangible assets		
	Less: Accumulated depreciation		
	i) Tangible assets	12	31,01,28,510
	ii) Intangible assets		1,56,11,857
	iii) Capital Work in Progress		2,80,94,287
	iv) Lease hold building		-
b	Non-current investments	13	74,91,453
	Other non-current assets		
c	Deferred tax asset		7,97,95,119
d	Long-term loans and advances	14	3,43,42,19,990
e	Other non-current assets	15	30,83,955
f	Cash & Cash equivalent	16	6,09,14,76,287
			9,96,99,02,859
2	Current assets		
a	Inventories	17	63,79,22,362
b	Trade receivables	18	17,50,76,324
c	Cash & Cash equivalent	19	1,31,46,07,723
d	Short-term loans and advances	20	1,57,28,77,546
e	Other current assets	21	23,52,66,467
			3,93,57,50,322
	<b>Total</b>		<b>13,90,56,52,381</b>

Summary of significant accounting policies. The accompanying notes are an integral part of the financial statements.

For VENUGOPAL & CHENYO (FR.No.004671S)

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

(FR.No.004671S)

(CA D.V. ANNINATH) (M.No.029505)  
PARTNER

(V.G. VENKATA REDDY)  
VC & MD

(I. MOHAN RAO)  
DIRECTOR

VISAYANADA, Dated: 13/04/2016

VISAYANADA, Dated: 13/04/2016

Place: HYDARABAD

Date: 05/04/2016



(D. SRINIVASA RAO)  
JDMG (FAC, F&A)





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
**" STATEMENT OF CONSOLIDATED PROFIT & LOSS " FOR THE YEAR ENDED 31st MARCH,**  
**2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

		Notes	Year Ended March 31, 2016
	<b>Income</b>		
I	Revenue from operations (gross)		7,06,67,18,303
	Less: Royalty / VAT / CST / other charges		(65,55,58,455)
	Revenue from operations (net)		6,41,11,59,848
II	Other Income	22	72,97,94,690
III	<b>Total revenue (I+II)</b>		<b>7,14,09,54,538</b>
IV	<b>Expenses</b>		
a	Change in inventories of finished goods	23	4,85,82,205
b	Employee benefits expense	24	31,62,19,079
c	Other expenses		
	i) Operational expenses	25	2,06,92,86,934
	ii) Other expenses	26	67,08,63,513
	iii) Finance cost	27	1,07,35,871
	iv) Depreciation and amortization expense	12	4,12,26,380
	v) Prior period items		19,83,12,910
	<b>Total Expenses</b>		<b>3,35,52,26,893</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>3,78,57,27,645</b>
VI	Exceptional Items		(6,00,73,000)
VII	<b>Profit before extraordinary items and Tax (V-VI)</b>		<b>3,72,56,54,645</b>
VIII	Extraordinary Items		-
IX	<b>Profit before Tax (VII-VIII)</b>		<b>3,72,56,54,645</b>
X	<b>Tax expenses</b>		
a	Current tax		1,54,78,69,607
b	Earlier years Tax		2,11,28,578
c	Income Tax adjustments		(63,054)
d	Deferred tax		(6,35,11,095)
	<b>Total tax expense</b>		<b>1,50,54,24,036</b>
XI	<b>Profit/(loss) for the year (IX-X)</b>		<b>2,22,02,30,609</b>
	<b>Earnings per equity share (nominal value of share Rs.1000)</b>		
	Basic		
	Computed on the basis of total profit for the year		35,207.11

Summary of significant accounting policies. The accompanying notes are an integral part of the financial statements.

For VENUGOPAL & CHENYOY (FR.No.004671S)

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

(FR.No.004671S)

(C.A.D.V.JANKINATH) (M.No 029505)

(V.G.VENKATA REDDY)

(J.MOHAN RAO)

PARTNER

VC & MD

DIRECTOR

VISAYAWADA, Dated: 13/05/2016

VISAYAWADA, Dated: 13/05/2016

Place: HYDRABAD

Date: 05/06/2016



(D.SRINIVASA RAO)  
JDMG (FAC, F&A)

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**2. Share capital**

Particulars	As at March 31, 2016
Authorised	
110000 Equity Shares of Rs.1000 each	10,00,00,000
Issued, Subscribed and Paid-up	
63,062 Equity Shares of Rs.1000/- each fully paid up in cash	6,30,62,000
40,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid	40,00,000
2,40,000 Preference Shares of Rs.100/- each	25,40,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>7,01,02,000</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

At the beginning of the period

Issue of shares during the year from share application money

Outstanding at the end of the period

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

Andhra Baryte Corporation Private Limited has only one class of 40,00,000 Cumulative Redeemable Preference Shares of Rs.10/- each, fully paid having a par value of Rs.1,000 per share fully subscribed by IBC Limited. At the moment, no terms and rights are attached to preference shares.

Pallava Red Granite Private Limited has only one class of 2,40,000 Preference Shares of Rs.100/- each, fully paid fully subscribed by Pallava Granite Industries (India) Private Limited.

**c. Details of shareholders holding more than 5% shares in the company**

**Equity shares**

Governor of the Andhra Pradesh- Represented by Assistant Secretary to Government ( Mines ) Industries & Commerce department

The portion of Share Capital allocated to Telangana region ( 41.68% ) cash payment will be made while physical distribution of Assets & Liabilities, now adjusted in General Reserve during the year 14-15.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**3. Reserves and Surplus**

Particulars	As at March 31, 2016
<b>a) CAPITAL RESERVE</b>	<b>39,281</b>
Free Ride Equity Shares For Consideration Other Than Cash Allotted By	
i. M/s. Damodham Minerals Pvt Ltd	1,89,210
18921 Equity Shares @ Rs.10/- each fully paid up	
less: Provision made for demerution in the value of shares	(1,89,210)
ii. M/S. Aswani Mineral Development Pvt Ltd.	
65000 Equity Shares of Rs.10/- each fully paid up	6,50,000
less: Provision made for demerution in the value of shares	(6,50,000)
iii. M/S. SRAP Mineral (P) Ltd	
325000 Equity Shares of Rs.10/- each fully paid up	32,50,000
less: Provision made for demerution in the value of shares	(32,50,000)
iv. Arham Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for demerution in the value of shares	(13,00,000)
v. Isra Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for demerution in the value of shares	(13,00,000)
vi. Margasree Granites (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for demerution in the value of shares	(13,00,000)
vii. Ongole Minerals Exports (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for demerution in the value of shares	(32,50,000)
viii. RLP Granites (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for demerution in the value of shares	(32,50,000)
ix. M/s. A.P. Granites (Midwest) P Ltd	
1100000 Equity shares @ 10/- each fully paid up	1,10,00,000
x. M/s. Alliance A.P. Black Galaxy Grnites (P) Ltd	
1100000 Equity shares @ 10/- each fully paid up	1,10,00,000
less: Provision made for demerution in the value of shares	(1,10,00,000)
xi. M/s. A.P. Coastal sands & Metals Pvt Ltd.,	
13000 Equity shares @ 10/- each fully paid up	1,30,000
xii. M/s Ongole Iron Ore Mining Company Pvt Ltd	
56,100 Equity shares @ 10/- each fully paid up	5,61,000
xiii) M/s. Trimex Barite Private Ltd	
4,50,000 Equity shares @ 10/- each full paid up	45,00,000
xiv M/s. V.V. Minerals (P) Ltd	
1,100 Equity shares @ 100/- each full paid up	1,10,000
less: Provision made for demerution in the value of shares	(1,10,000)
Share of Jointly Controlled Entities	1,74,49,963
<b>Total</b>	<b>3,37,80,244</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**b) RESERVE FOR BAD & DOUBTFUL DEBTS**

Particulars	As at March 31, 2016
As at the commencement of the year	70,94,087
Add: Transferred from: -/ to (-) Statement of profit & loss	9,05,594
<b>Total</b>	<b>79,99,681</b>

**c) GENERAL RESERVE**

Particulars	As at March 31, 2016
As at the commencement of the year	95,83,77,313
Less:	
Depreciation Adjustment with retained earnings	-1,01,631
Interest on FDRs etc., allocated to Telangan region	-
The portion of the Share Capital allotted in Telangan Region	2,62,84,242
Add:	
Transfer from Profit & Loss Account	22,30,69,476
<b>Total</b>	<b>1,20,76,29,380</b>

**d) SURPLUS**

Particulars	As at March 31, 2016
Balance as per Previous Balance Sheet	5,03,05,72,788
Add:	
Transfer from Profit & Loss Account	1,22,02,30,609
Less:	
Distribution to Telangana	-
Reserve for bad and doubtful Debts	(9,05,594)
Depreciation Adjustment with retained earnings	
Transfer to General Reserve	(22,30,69,476)
Interim Dividend	(2,01,65,500)
Tax on Interim Dividend	(41,56,379)
Preliminary expenses written off	(31,52,966)
Transfer to Capital Reserve	
<b>Total</b>	<b>7,91,93,73,483</b>
<b>Grand Total (a+b+c+d)</b>	<b>9,16,87,02,789</b>

APMDC has invested in free ride equity shares of the Joint Ventures, consequently, the Company has recognised Capital Reserve and the Joint Ventures have recognised Intangible Asset (Either as Right to use asset or as Goodwill). The Capital Reserve has been eliminated on Consolidation of these Joint Ventures to the extent of Intangible Asset available in the Joint Venture.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**4. Long term Borrowings**

Particulars	As at March 31, 2016
Advances from	
APMDC	0
SCCL	0
Loans	
Indian rupee term loan from bank	66,16,348
Term Loan From Others	19,56,957
Loan from Corporate	22,22,927
Loan From Directors	1,73,620
<b>Total</b>	<b>1,20,69,852</b>

**5. Deferred Tax Liability / (Asset)**

Break-up of Net deferred tax liability is as under:

Particulars	As at March 31, 2016
Timing difference on account of depreciation	-
Timing difference on account of disallowances	-
Diff B/w Financial Statements & Estimated Taxable income (or)	10,16,867
<b>Net Deferred Tax Liability/(Asset)</b>	<b>10,16,867</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

**Notes to consolidated financial statements for the year ended 31  
March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**6. Other Long-term Liabilities**

Particulars	As at March 31, 2016
Relating to Employees	0
Others	85,12,47,939
Amount payable to Central Govt.	-
Deposits	68,60,937
CST / APVAT Payable	0
Service tax payable	0
Expenses payable against Infrastructure Development	18,93,77,891
<b>Trade Payables</b>	
For Expenses	1,05,50,74,715.00
For Advance from Customers	-
<b>Total</b>	<b>2,10,25,61,482</b>

**7. Long-term provisions**

Particulars	As at March 31, 2016
Reclamation & Rehabilitation of Mined out areas	8,03,27,500
Group Gratuity Premium payable	-
Group Leave Encashment Premium payable	-
Interim dividend - 2013-14	-
Tax on Interim dividend - 2013-14	-
Special Dividend - 2013-14	-
Tax on Special Dividend - 2013-14	-
Interim dividend - 2014-15	-
Tax on Interim dividend - 2014-15	-
Provision for Employee Benefits	15,54,937
<b>Total</b>	<b>8,18,82,437</b>

**8. Short-term borrowings**

Particulars	As at March 31, 2016
Short term Borrowings	4,66,69,864
Cash credit from bank	61,07,617
Loans Repayable on Demand (Secured)	2,06,05,477
Over Draft	11,88,243
From related parties	64,84,959
From Others	-
<b>Total</b>	<b>8,10,56,161</b>

**9. Trade payables**

Particulars	As at March 31, 2016
<b>Trade Payables</b>	
For purchases	15,84,422
For Expenses	1,14,20,73,962
For Advance from Customers	27,99,499
<b>Total</b>	<b>1,14,64,57,883</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

**Notes to consolidated financial statements for the year ended 31  
March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**10. Other current liabilities**

Particulars	As at March 31, 2016
Relating to Employees	1,62,88,263
Audit fee payable	46,000
Others	40,18,36,490
Sundry creditors for expenses	-
Deposits	43,31,84,011
TDS Payable	36,32,538
CST / APVAT Payable	9,11,78,227
Service tax payable	-
Expenses payable against Infrastructure Development	-
Provident Fund & Employee State Insurance	36,27,425
Current maturities of long-term borrowings	82,34,308
Creditors Others (For Capital Works)	69,06,763
Advances received from customers	4,01,91,253
Bonus payable	-
Outstanding Expenses Payable	-
Dividend Payable	4,410
<b>Total</b>	<b>1,00,51,29,689</b>

**11. Short-term provisions**

Particulars	As at March 31, 2016
Group Gratuity Premium payable	5,24,90,386
Group Leave Encashment Premium payable	4,70,21,938
Special Dividend - 2013-14	6,30,62,000
Tax on Special Dividend - 2013-14	1,26,08,690
Interim dividend - 2013-14	1,57,65,500
Tax on Interim dividend - 2013-14	44,65,577
Interim dividend - 2014-15	1,57,65,500
Tax on Interim dividend - 2014-15	31,52,173
Interim dividend - 2015-16	1,64,25,504
Tax on Interim dividend - 2015-16	41,36,379
Provision for Taxation	12,57,691
Salaries & Wages Payable	3,50,143
Provision for Employee Benefits	1,71,739
<b>Total</b>	<b>23,66,73,221</b>



THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED														
Notes to consolidated financial statements for the year ended 31 March 2015														
All amounts are in Indian Rupee unless otherwise stated.														
11. FIXED ASSETS														
Particulars	Original cost				Depreciation and amortisation						Adjusted with Retained Earnings	Net book value		
	Balance as on 01/04/2013	Additions	Deletions	Cost as on 31/03/2014	As on 01/04/2013	For the year	Deletions	Adjusted with Retained Earnings	Adjustment during 01.04.15 - 31.03.16	As on 31/03/2014		As on 31/03/2014	As on 31/03/2015	
<b>Intangible assets</b>														
Computer Software	33,31,246	3,29,804	-	36,61,050	36,61,050	3,76,616	-	-	-	47,33,193	-	7,48,801	9,06,731	
Goodwill on consolidation	1,43,00,864	-	-	1,43,00,864	-	-	-	-	-	-	-	1,43,00,864	1,43,00,864	
License rights	5,61,000	-	-	5,61,000	-	-	-	-	-	-	-	5,61,000	5,61,000	
<b>Goodwill</b>														
<b>Total</b>	<b>3,81,93,910</b>	<b>3,29,804</b>	<b>-</b>	<b>3,85,23,714</b>	<b>36,61,050</b>	<b>3,76,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,33,193</b>	<b>-</b>	<b>1,48,61,864</b>	<b>1,48,61,864</b>	
<b>Tangible assets</b>														
Land	3,94,86,955	3,33,15,000	-	3,13,01,915	3,13,01,915	73,203	-	-	-	3,90,183	-	9,12,31,072	1,05,48,453	
Quarries & Pits & Lumps	7,29,19,217	24,37,375	3,39,685	7,43,09,297	3,61,67,075	26,21,398	-	15,617	1,21,370	3,87,07,466	-	1,56,02,341	3,51,01,306	
Foundries & Furnaces	69,89,510	8,92,840	-	64,97,350	41,24,295	5,43,193	-	12	469	46,55,117	-	32,36,337	30,15,734	
Libraries	40,000	-	40,000	-	28,587	191	-	-	-	39,779	111	-	2,334	
Vehicles	3,91,15,200	7,61,242	49,423	4,09,36,115	4,17,62,474	29,31,844	13,480	2	16,679	1,37,35,472	-	40,47,648	27,53,869	
Constructors	1,33,666	89,659	4,837	2,38,394	1,82,779	30,823	3,243	-	-	4,38,559	-	88,910	39,287	
Electrical Installations	19,20,517	1,44,495	29,784	20,94,228	17,88,454	13,30,690	14,241	-	-	27,04,895	-	68,89,330	69,32,962	
Water Works	7,43,462	-	48,437	6,95,025	3,43,336	46,249	12,463	-	-	8,27,616	-	3,16,815	3,99,800	
Tanks & Lumps (Roads)	3,16,396	37,316	-	3,53,712	3,33,285	15,616	-	-	-	3,48,501	-	32,897	41,507	
Plant & Machinery	19,09,31,043	6,43,83,242	8,03,339	24,56,03,115	9,30,11,171	2,20,11,598	28,911	717	6,96,942	11,23,48,479	-	13,24,60,476	6,03,84,587	
Machinery & Other Equipment	4,71,34,843	1,21,95,925	1,64,561	5,93,85,329	2,16,86,116	81,23,286	6,41,377	-	5,01,096	7,65,38,319	-	3,15,32,018	5,46,74,884	
Office Equipment	1,94,628	31,883	-	2,26,511	1,41,362	10,406	-	-	-	1,78,649	-	54,742	97,845	
Power Producing Equip.	3,93,77,870	57,88,839	-	4,51,66,709	1,78,18,124	22,76,964	1,38,644	84,291	1,33,318	1,66,84,815	-	57,82,092	24,58,749	
<b>Total</b>	<b>38,87,32,777</b>	<b>14,89,81,437</b>	<b>13,24,285</b>	<b>52,79,28,439</b>	<b>18,16,84,845</b>	<b>3,77,17,466</b>	<b>8,41,849</b>	<b>1,01,639</b>	<b>14,99,272</b>	<b>21,73,26,819</b>	<b>-</b>	<b>11,41,28,518</b>	<b>28,29,23,254</b>	
<b>Other</b>														
Work in progress	2,33,37,827	-	-	2,32,57,927	-	-	-	-	-	-	-	2,32,57,927	2,32,57,927	
Pre-operative Expenses	33,31,226	-	3,36,781	43,56,360	-	-	-	-	-	-	-	43,56,360	57,38,329	
<b>Total</b>	<b>2,66,69,053</b>	<b>-</b>	<b>3,36,781</b>	<b>2,80,06,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,80,06,114</b>	<b>2,80,06,114</b>	
<b>Particulars</b>														
	Original cost				Depreciation and amortisation						Adjusted with Retained Earnings	Net book value		
	Balance as on 01/04/2013	Additions	Deletions	Cost as on 31/03/2014	As on 01/04/2013	For the year	Deletions	Adjusted with Retained Earnings	Adjustment during 01.04.15 - 31.03.16	As on 31/03/2014		As on 31/03/2014	As on 31/03/2015	
Leasehold Building (2nd floor of IDWSSHS) (Lease period 15.09.18 to 14.09.19) (23223189)	12,16,692	-	-	12,16,692	-	3,16,695	-	-	-	12,16,692	-	-	12,16,692	
Leasehold Building (4th floor of IDWSSHS) w/o 04.04.15 (Rs.5754500)	10,13,615	-	-	26,13,615	-	20,13,615	-	-	-	20,13,615	-	-	20,13,615	
<b>Total</b>	<b>22,30,307</b>	<b>-</b>	<b>-</b>	<b>38,30,307</b>	<b>-</b>	<b>31,30,310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,30,307</b>	<b>-</b>	<b>-</b>	<b>32,30,307</b>	





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**13. Non-current investment**

Particulars	As at March 31, 2016
<b>LONG TERM</b>	
<b>(A) Trade Investment in Subsidiary Companies</b>	
<i>Unquoted (as cost)</i>	
i) M/s. APMDCL - SCCL Suliyan Coal Company Ltd	
a) Shares allotted 5100 of Rs. 10/- each	51,000
Contribution of equity share capital of 51% shares as against of	
b) Authorised Capital of Rs. 20.00 Crores, share application money	-
M/s. Nuggaon Coal Company Ltd ( 50% of JV Company)	59,57,040
3000 equity shares @ Rs. 100/- each fully paid up	-
<b>(B) FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH</b>	
i) M/s. Damodhara Minerals (P) Ltd.	1,89,210
18921 equity Shares of Rs. 10/- each fully Paid up	
Less: Provision made for diminution in the value of shares	(1,89,210)
<b>(C) Trade Investment in Joint Venture Companies</b>	
<b>FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH</b>	
i) M/S. Aswani Mineral Development (P) Ltd.	
65000 Equity Shares of Rs. 10/- each fully paid up	6,50,000
less: Provision made for deminution in the value of shares	(6,50,000)
ii) M/S. SRAP Mineral (P) Ltd	
325000 Equity Shares of Rs. 10/- each fully paid up	32,50,000
less: Provision made for deminution in the value of shares	(32,50,000)
iii) M/s. Arham Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for deminution in the value of shares	(13,00,000)
iii) M/s. Isra Minerals Exports (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for deminution in the value of shares	(13,00,000)
iv) M/s. Margasree Granites (P) Ltd	
130000 Equity Shares @ 10/- each fully paid up	13,00,000
less: Provision made for deminution in the value of shares	(13,00,000)
v) M/s. Ongloe Minerals Exports (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for deminution in the value of shares	(32,50,000)
vi) M/s. R.I.P Granites (P) Ltd	
325000 Equity Shares @ 10/- each fully paid up	32,50,000
less: Provision made for deminution in the value of shares	(32,50,000)
viii) M/s. V.V. Minerals (P) Ltd	1,10,000
11,100 Equity shares @ 100/- each fully paid up	
less: Provision made for deminution in the value of shares	(1,10,000)



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**D) OTHERS**

i) M/s. Andhra Phosphate (P) Ltd.	
1110 Equity shares of Rs. 1000 each fully paid up	
ii) M/S. Andhra Pradesh Tribal Mining (P) Ltd	
28600 Equity Shares of Rs. 10/each fully paid up	2,86,000
iii) National Saving Certificates (pledged with ADMG for Execution of Quarry leases)	71,28,453
iv) AP Granite Midwest Pvt Ltd	
1110 Equity shares of Rs. 1000 each fully paid up	13,750
v) PallavaRED Granite Pvt Ltd	
1110 Equity shares of Rs. 1000 each fully paid up	3,49,250
vi) Deposit & Considered	
Less: Provision for Doubtful Investments	(62,94,040)
<b>Total</b>	<b>74,91,453</b>

**14. Long-term loans and advances**

Particulars	As at March 31, 2016
<b>Un-Secured - Capital Advances</b>	
a) Considered good (un secured)	1667093262
b) Considered Doubtful (un secured)	110921032
Sub total	1778014294
(Less: Provision for Doubtful items)	-110921032
	1667093262

**I. LOANS**

**Secured:**

Vehicle Loans to Staff	16,29,951
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**Unsecured, considered good:**

Loans to staff	6,36,233
Deposits & Advances	6,70,699
<b>Sub-Total</b>	<b>29,36,883</b>

**II. ADVANCES**

*Unsecured, considered good unless as otherwise stated*

**i) Advances to Staff**

a) Considered good	1,83,48,418
b) Considered Doubtful	-

**ii) Advance To**

M/s Center for Good Governance	-
M/s SCCL	-
Institute Enviro Care	-
Tqalatum	-
M/s Environment protection & Research Institute	-
M/s SCS Ltd	-
AXYKNO Capital Services	-
Banaras Hindu University	-
Dist Collector for Land Acquisition	-
Power Grid Corporation	-
RC Sharma	-





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

iii) Advances to suppliers	
a) Considered good	2,98,114
b) Considered Doubtful	-
iv) Advances to Govt. Depts.	
a) Considered good	72,68,02,609
b) Considered Doubtful	40,07,349
v) Advances to Related Parties	
a) Considered good	7,57,940
b) Considered Doubtful	-
vi) Advance to others	
a) Considered good	59,85,96,101
b) Considered Doubtful	1,89,19,444
Less Provision for Doubtful items	(13,38,47,825)
Sub-Total	3,01,48,33,326
<b>III. DEPOSITS</b>	
With Govt. Departments	
a) Considered good	40,05,76,116
b) Considered Doubtful	5,97,085
With others	
a) Considered good	1,88,10,548
b) Considered Doubtful	7,53,612
Less Provision for Doubtful items	(13,50,697)
Sub-Total	41,93,86,664
Prepaid expenses	-
<b>Total (I+II+III)</b>	<b>3,43,42,19,990</b>
<b>15. Other non-current assets</b>	
<b>Particulars</b>	<b>As at March 31, 2016</b>
Preliminary Expenses	10,46,007
Prepaid Expenses	20,37,948
<b>Total</b>	<b>30,83,955</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**16. Cash and Bank Balance**

Particulars	As at March 31, 2016
(A) Cash on hand	-
(B) In Current Accounts	
i) With Scheduled Banks	61,19,068
ii) Andhra Pragathi Gramena Bank	-
(C) In Post Office Savings Account	
i) Head Office	16,382
ii) Mangampet Branch	75,020
iii) Chirakuntla Branch	36,06,900
iv) Dwarakaturumala Branch	5,500
v) Vizag Branch	3,38,200
(D) In Fixed Deposits With Maturity:	
i) Scheduled Banks	5,13,46,66,999
ii) Andhra Pragathi Gramena Bank	-
iii) Deccan Gramena Bank	-
(E) In Fixed Deposits kept for BGs with Maturity:	
Scheduled Banks	10,31,21,174
In Fixed Deposits - BGs without Lien	76,71,43,057
i) Sweep Account (AB Somajiguda)	-
ii) Sweep Account (SBI, Khairatabad)	5,63,83,987
<b>Total</b>	<b>6,09,14,76,287</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
CORPORATION LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2016  
(All amounts are in Indian Rupees unless otherwise stated)

**17. Inventories**

Particulars	As at March 31, 2016
<b>A. Stores:</b>	
Spares, HSD Oil, Explosives &	0
Packing Material	1,08,43,059
Rough Blocks	27,93,831
Work-in-Progress	45,12,936
<b>B. Stock in Trade</b>	
Finished goods	61,97,72,436
<b>Total</b>	<b>63,79,22,262</b>

**18. Trade receivables**

Particulars	As at March 31, 2016
<b>a) Debts outstanding exceeding 6 months</b>	
Considered good	43,29,178
Considered doubtful	2,85,86,048
Less: Provision made	(2,85,86,048)
<b>b) Debts outstanding below 6 months</b>	
Considered good	17,07,47,143
<b>Total</b>	<b>17,50,76,324</b>

**19. Cash and Bank Balance**

Particulars	As at March 31, 2016
<b>Cash on hand</b>	<b>2,23,824</b>
<b>(A) In Current Accounts</b>	
(i) With Scheduled Banks	15,38,67,762
(ii) Andhra Pragathi Grameena Bank	-
<b>(B) In Post Office Savings Account</b>	
i). Head Office	-
ii). Mangampet Branch	-
iii). Chinnakurthy Branch	-
v). Dwarakaturumala branch	-
vi). Vizag Branch	-



**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
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Notes to consolidated financial statements for the year ended 31 March 2016  
(All amounts are in Indian Rupees unless otherwise stated)

**(C) In Fixed Deposits With Maturity upto 12 months:**

(i) Scheduled Banks	-
(ii) Andhra Pradesh Grameena Bank	-
(iii) Deccan Grameena Bank	-

**(D) In Fixed Deposits kept for BGs with Maturity :**

Scheduled Banks	-
In Fixed Deposits - BGs without Lien	-
(iv) Sweep Account (AB Somajiguda)	1,15,76,90,171
(v) Sweep Account (SBI, Khairatabad)	-

**(E) In Fixed Deposits With Maturity more than 12 months:**

Scheduled Banks	7,30,080
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**(F) Letter of Credit, Bank Guarantees**

Scheduled Banks	20,95,885
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**Total** **1,31,46,07,723**

**20. Short-term loans and advances**

**Particulars** **As at  
March 31, 2016**

**I. LOANS**

**Secured:**

Vehicle Loans to Staff 7,01,288

**Unsecured, considered good:**

Loans to staff 3,54,440

Deposits & Advances -

**Sub-Total** **10,55,728**

**II. ADVANCES**

**Unsecured, considered good unless as otherwise stated**

**i. Advances to Staff**

a) Considered good 2,28,104

b) Considered Doubtful -

**ii. Advances to suppliers**

a) Considered good 60,21,977

b) Considered Doubtful -

**iii. Advances to Govt. Depts.**

a) Considered good 1,52,95,92,334

b) Considered Doubtful -

**iv. Advance to others**

a) Considered good 2,46,25,831

b) Considered Doubtful -





**THE ANDHRA PRADESH MINERAL DEVELOPMENT  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

iv. Advance receivable in cash or kind	
a) Considered good	98,474
b) Considered Doubtful	-
Less Provision for Doubtful items	-
<b>Sub-Total</b>	<b>1,56,05,66,740</b>
Interest accrued but not due	-
<b>III. DEPOSITS</b>	
With Govt. Departments	
a) Considered good	5,10,211
b) Considered Doubtful	-
With others	
a) Considered good	0
b) Considered Doubtful	-
Less Provision for Doubtful items	-
<b>Sub-Total</b>	<b>5,10,211</b>
Prepaid expenses	1,07,44,867
<b>Total (I+II+III)</b>	<b>1,57,28,77,546</b>

**21. Other current assets**

Particulars	As at March 31, 2016
Int. accrued on Fixed Deposits	6,90,73,278
Int. accrued on FDR kept for BG	80,74,975
Interest accrued on FDRs BG with out Lien	9,36,75,778
Int. accrued on Sweep account - SBI, Khairatabad	5,78,57,376
Int. accrued on Elec. Deposits	6,42,038
Int. accrued on Investments - N S C Bonds	45,30,563
Interest Accrued on Postal Savings Account	-
Interest receivable	4,39,382
VAT credit receivable	-
TCS/TDS Receivable	6,98,692
M/s. Andhra Phosphate Ltd	30,240
Pre-Paid Expenses (Royalty)	-
VSEZ Vizag	2,44,195
<b>Total</b>	<b>23,52,66,467</b>





**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**22. Other Income**

Particulars	Year Ended March 31, 2016
<b>INTEREST INCOME</b>	
Interest on Fixed Deposits ( TDS Rs.4,63,95,907/- Previous year Rs.6,52,26,723 )	58,51,80,432
Less: Interest on FDRs for Telangana Region	(13,05,15,504)
Interest on Fixed Deposits Kept for BG ( TDS - 1,21,71,168 )	1,60,10,879
Less: Interest on FDRs BG for Telangana Region	(64,62,835)
Interest on FDR BGs without Lien	9,36,75,778
Less: Interest on FDRs BG without Lien for Telangana Region	(3,90,44,064)
Interest on Sweep a/c- SBI, Khairatabad	3,87,86,700
Less: Interest on Sweep - SBI for Telangana Region	(3,40,17,720)
Interest on Sweep a/c- AB Somajiguda	12,94,46,637
Interest on Electricity Deposits ( TDS Rs/-71,338/- Previous year Rs. 60480/- )	7,13,376
Interest on Advances with Dist Collector Kadapa	-
Interest on Investments - NSC Bonds	62,491
Interest on Postal saving bank account	-
Interest on Loans to staff	2,52,433
Interest on delay in payment of Min.Consideration	-
Interest on Deposits with Addl.Chief Judge ( City Civil Court )	-
Interest on Dep on the change of pattern Under co Act 2013	-
Other interest receipts	54,29,906
<b>OTHER RECEIPTS</b>	
Other ( Miscellaneous ) income	1,00,42,477
Rent Receipts	14,71,837
Service Charges From APPL	-
Income on Deferred Govt Grants	-
Forfeiture of Security Deposit	3,36,89,000
Forfeiture of EMD	-
Penalty on ROM / OB	15,93,192
Sale of Tender documents	13,77,545
Profit on sale of Asset	9,000
Sale of Scrap	-
Freight & Insurance on Despatches	1,72,069
Dividend from M/S.Andhra Phosphate Pvt Ltd	-
Dividend from M/S.A.P.Granites ( Mid west ) P Ltd	13,20,000
Excess Provision Written Back	2,06,01,041
<b>Total</b>	<b>72,97,94,690</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**23. Change in inventories of finished goods**

Particulars	Year Ended March 31, 2016
<b>INCREASE/DECREASE IN STOCKS</b>	
<b>FINISHED GOODS</b>	
Balance at the closing of the year	60,50,06,753
Balance at the beginning of the year	65,83,30,168
Jointly Controlled Entities share of (increase) / decrease in stock	(47,41,210)
<b>Total increase(+)/decrease(-) in stocks</b>	<b>4,85,82,205</b>

**24. Employees benefits expense**

Particulars	Year Ended March 31, 2016
Salary	9,000
Salary to VC & MD	18,06,631
Salaries, Wages, Bonus & Other Benefits	17,01,73,065
Contribution To Provident Fund & Other Funds	13,32,96,488
Excess expenditure written back against Gratuity & Leave encashment scheme, on actuarial valuation 2015-16	(2,26,00,406)
Welfare Expenses	3,35,34,301
<b>Total</b>	<b>31,62,19,080</b>

**25. Operational expenses**

Particulars	Year Ended March 31, 2016
ROM Expenses	25,46,37,859
Purchases	1,10,98,615
Electricity charges	11,15,317
Overburden expenses	1,60,52,26,136
Consumption of Packing Material	2,50,98,396
Milling Charges (Powder)	3,83,63,704
Plant & Mining Expenses	1,56,97,213
Royalty, Dead Rent, Cess	1,24,82,007
Production Expenses	-
Insurance	20,465
Power & Fuel	7,65,58,364
Repairs & Main. of Machinery	50,04,038
Hirecharges on Machinery	19,99,597
Processing charges	23,12,207
Consumables & spares	1,96,73,018
<b>Total</b>	<b>2,06,92,86,934</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees unless otherwise stated)

**26. Other expenses**

Particulars	Year Ended March 31, 2016
Travelling & Conveyance Exp.	1,26,98,252
Petrol & Motor Oils	48,43,651
Printing & Stationery	56,07,048
Postage Telegrams & Telephones	26,36,098
Advertisement Charges	87,10,408
Legal & Professional Charges	1,03,55,467
Consultancy charges	5,15,85,170
Directors Fee	-
Bank Charges & Commission	62,618
Office & General Expenses	12,46,83,242
Subscription & Membership fee	5,09,646
Sales Expenses	4,02,37,932
Audit fee ( Internal & Statutory Audit )	14,33,857
Afforestation	4,18,711
Rates & Taxes	2,71,36,112
Insurance	8,71,910
Security Charges	4,32,000
Franchise Fees to TSMDC Ltd(erstwhile APMDC Ltd)	-
Environmental & Pollution Expenses	1,85,448
Rehabilitation Expenses	65,30,727
Prospecting & Mining Lease Expenses	4,64,76,624
Contribution to MRTU Fund	1,00,00,000
Job work Charges	49,37,529
Freight Expenses	38,66,170
Transportation & Handling Charges	9,83,534
Rents	92,44,398
Bad & Doubtful Debts (Provision)	2,01,37,295
Bad & Doubtful Advances(Provision)	13,50,65,998
Bad & Doubtful Investment (Provision)	62,94,040
Reclamation & Rehabilitation Expenses of Minedout areas	-
Corporation Social Responsibility expenses	1,11,13,338
Service Tax	2,41,20,564
Sales Tax	3,14,987
Miscellaneous Expenses	7,69,876
Communication expenses	49,983
Donations	66,000
Loss on Sales of Assets	30,346
Net Loss on Foreign currency transactions & translation	18,566
Book deficit on assets discarded	5,02,324
Other expenses	43,97,321
Assets written off	1,70,37,327
<b>REPAIRS &amp; MAINTENANCE ON</b>	
Buildings	33,89,656
Vehicles	18,46,122
Others	1,12,53,190
<b>Total</b>	<b>67,08,63,509</b>



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION  
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**Notes to consolidated financial statements for the year ended 31 March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**27. Finance cost**

Particulars	Year Ended March 31, 2016
<b>Interest Expenses</b>	
Finance Charges	1,70,292
Net Loss on Foreign Currency Transactions	5,17,622
Interest - Banks	26,68,921
Bank charges	3,09,673
Interest on TDS	
Interest on Dead rent	
Interest on loan from Govt. A.P	56,95,891
Other Interests	13,73,473
<b>Total</b>	<b>1,07,35,872</b>





**Note 28 Significant Accounting Policies and Notes forming part of the accounts for the year ended 31<sup>st</sup> March 2016**

**Note 1). Significant Accounting Policies:**

**1. Significant accounting Policies**

The accounting policies set out below have been applied consistently to the years presented in these financial statements

**Basis for preparation of accounts**

The financial statements of the Company has been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ( the Act ) read with Rule 7 of the Companies ( Accounts ) Rules, 2014 issued by the Central Government and the relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded nearest rupees.

**Principles of Consolidation**

The Consolidated Financial Statements have been prepared on the following basis:

The Consolidated Financial Statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

The financial statements of the Company and its subsidiary, Joint Venture and Associate companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions resulting in unrealized profits or losses as specified in Accounting Standard 21 - "Consolidated Financial Statements."

**Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India (Indian GAAP) requires management to make judgment, estimates, assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could defer from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

**2. Current and Non-Current classifications**

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the Operating Cycle (Operating cycle is assumed as 12 months by the company of the Company as per the guidance as set out in the Schedule III of the Companies Act, 2013.

**(i) Assets**

"An asset shall be classified as current when it satisfies the following criteria:

- a). It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle.
- b). It is held primarily for the purpose of being traded.





- c). It is excepted to be realized within twelve months after the reporting date;  
or  
d). It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current."

### (II) Liabilities

A liability is classified as Current when it satisfies the following criteria:

- a). it is excepted to be settled in the Company's normal Operating Cycle.  
b). it is held primarily for the purpose of being traded  
c). It is due to be settled within 12 months after the reporting date, or  
d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current Liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current

### 3. Fixed Assets & Depreciation:

#### a) Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any.

The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on the written down value method over the estimated useful life of each asset as specified in Schedule II of the Companies Act, 2013 except for the following Joint Ventures where it is provided on straight line method.

- i) Andhra Phosphate Pvt Ltd
- ii) TrimexBarytePvt Ltd
- iii) AP Granite Midwest Pvt Ltd
- iv) Andhra Baryte Corporation Pvt Ltd

The useful lives are considered as prescribed as per Part "C" of schedule II of the companies Act, 2013. Depreciation for the year is recognized in the statement of profit and loss.

To compute Depreciation, the useful lives of fixed assets is as follows:

Asset class	Useful life (in years)
I. Buildings	60
a). Buildings (other than factory building) RCC Frame Structures	
b). Buildings other than factory building)Other than RCC Frame Structures	30
II. Plant & Equipments	
a). Plant & Machinery	15
b). Mining Equipments	15
c). Weighing Machines	15
d). Survey & Drawing equipments	05



III. Furniture & Fixtures	10
IV. Office Equipments	05
V. Vehicles	08
VI. Others:	
a). Data Processing Equipments	03
b). Wells	05
c). Electrical Installations	10
d). Vocational Training Centre Equipments	05
e). First Aid Equipments	05
f). Laboratory equipments	10
VII. Software / Network:	06

#### **b)Intangible Fixed Assets:**

Intangible assets that are acquired by the Company are measured initial at cost And depreciate as per the estimated useful life as specified in Schedule II of the Companies Act, 2013.

c)The cost of interior arrangements in rented building are capitalized and amortized over the lease period

#### **4. Impairment of Assets:**

The carrying amounts of assets in use are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the carrying value is reduced to the lower of the net selling price or the value in use. The value in use is the present value of estimated future net income expected from use of the asset.

Impairment losses are recognized in statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the receivable amount. An impairment loss is reversed only to the extent the asset's carrying amount does not exceed carrying amount that would have been determined net depreciation if no impairment loss has been recognized.

#### **5. Investments:**

a) Investments are classified as Current and Non-Current Investments. Investments that are readily realized and are intended to be held for not more than one year from the date of which such investments are made, are classified as "Current Investments". All other investments are classified as "Long term Investments". The carrying amounts of current Investments are valued at lower of cost and fair value. In respect of the following Joint Ventures the current Investments are valued at cost and net realizable value:

- i) PallavaRED Granite Pvt Ltd
- ii) TrimexBarytePvt Ltd
- iii) Andhra Pradesh Granite (Midwest)
- iv) AP Coastal Sand Metals Pvt Ltd
- v) Andhra Baryte Corporation Pvt Ltd

However, provision for diminution is made to recognize decline, other than temporary, in the value of long-term investments.

b) Investments made in free-ride equity shares for consideration other than cash are disclosed as long-term investment and corresponding amount under the head Capital Reserve.



6. **Inventories:**

- a) Finished products are valued at weighted average cost or net realizable value whichever is lower. The Closing stocks of finished goods (Barytes Lumps) lying with the Company and Private Mills are valued on weighted average cost prices of A & B grades or any combination of the same. The cost of closing stock does not include Royalty /seigniorage(except on lumps supplied to Private Mills) as the same is liable to be paid in respect of any Mineral removed from the leased area as per Sec.9 of Mines & Minerals (Regulations & Development) Act, 1957 and Head Office overheads.
- b) Spares, HSD oil, Explosives and Packing Materials are valued at lower of cost and net realizable value (weighted average cost method).
- c) Based on the past experience, sales statistics and the quantity quoted in the earlier tender, and as slow moving item the Closing stock of C+D+Waste grade of Barytes for a quantity of 5,00,000 MTs has been valued from the financial year 2013-14 onwards and the remaining quantity is disclosed in the statement of Closing Stock without value.

7. **Cash & Cash equivalents:**

Cash and cash equivalent in the Balance sheet comprises cash at Bank.

- a) Cash equivalent are held for the purpose of meeting short - term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Investment in shares are excluded from cash equivalent unless they are in substance, cash equivalents- for example, preference shares of a company acquired shortly before their specified redemption date (provided there is only an insignificant risk of failure of the company to repay the amount at maturity)
- b) Cash flows exclude movements between items that constitute cash or cash equivalent because these components are part of the cash management of an enterprises rather than part of its operating, investing and financing activities. Cash management includes the investment of excess cash in cash equivalents

8. **Employee Benefits**

**Short term Employee Benefits:**

Employee Benefits payable Wholly within 12 months of receiving employee services are classified as short term employees benefits. These benefits include salary, wages, bonus and Ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees. In respect of the following Joint ventures, the liability of bonus and ex-gratia is provided on accrual basis:

- i) Andhra Phosphate Pvt Ltd
- ii) AP Granite Midwest Pvt Ltd

**Defined contribution plans:**

A retirement benefit in the form of superannuation is a defined contribution scheme and the contribution towards defined contribution scheme is charged to the Statement of Profit and



Loss of the year when the contribution to the Fund is due. There is no obligation other than the contribution payable to the Fund. Retirement benefit in the form of Provident Fund is a defined benefit.

**Defined benefit plans:**

The Company's gratuity benefit scheme and Leave encashment fund scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. There is a Trust by LIC for each of the purpose.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

In respect of the following Joint Ventures the provision of gratuity and leave encashment is provided on cash basis:

- i) Andhra Phosphate Pvt Ltd
- ii) Andhra Baryte Corp Pvt Ltd

**Compensated absences:**

The employees can carry - forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on superannuation from employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and a also not expected to be utilized within twelve months after the end of such period, the benefit is classified as a long - term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of Independent actuarial valuation using the projected unit credit method. There is a trust by LIC for the purpose.

**Termination benefits:**

Termination benefits are recognized as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**9. Recognition of Revenue & Expenditure:**

- a) Revenue/Income and Cost/Expenditure are generally accounted on accrual, as they are earned or incurred except to the extent mentioned per (i) hereunder.
- b) Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- c) Income from services rendered is accounted as per contractual terms with the parties concerned.
- d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable.
- e) Dividend Income is accounted for when the right to receive is established.



- f) Consideration amount from Raising cum Sale contracts reduced to the extent of sales made, if any. ie on the total consideration, the sale amount of consideration will be considered as sale the remaining amount will be treated as consideration.
- g) Expenditure related to rehabilitation for the villagers falling within the danger Zone of Mining Project is charged to the revenue expenditure based on the information provided by the appropriate authority.
- h) Expenditure incurred towards New Projects is treated as revenue expenditure and charged in the year in which such expenditure incurred as the viability of the Project is uncertain (effect of change note pending).
- i) All items of Income & Expenditure are accounted for on mercantile basis except in respect of the following:
  - i). Sale of scrap, interest on loan to employees, and other receipts of casual and contingent nature and Insurance Claims are accounted for on actual receipt basis
  - ii) Interest receivable on consideration as per the terms & conditions of the Agreement, amount due in respective of Joint venture Companies and RCSC will be recognized as income, in the year in which the interest received.
  - iii). Expenses on books, periodicals, membership and subscription fees, legal & professional fees (except Statutory Audit Fee, Internal Audit Fee and Cost Audit Fee) advertisements and sponsorships are charged as and when paid

#### 10. Taxation on Income:

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expense is recognized in profit or loss except that tax expense related to item recognized directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable rates and tax laws. Deferred tax is recognized in respect of timing difference between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities recognized using in tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax asset are recognized only to the extent there is reasonable certainty that the asset can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed as at each balance sheet date.

#### 11. Provisions:

A provision is recognized if, as a result of a past event, the company has a present obligation that can be estimate reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.





#### **Onerous Contracts:**

A Contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with contract.

#### **12. Contingent liabilities and Contingent Assets:**

A Contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, be probable will not, requires an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of out flow of resources remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which change occurs.

#### **13. Reserve for bad & doubtful debts**

Reserve for bad and doubtful debts is maintained on trade @ 5.73% on net trade receivables.

#### **14. Segment Reporting:**

The operations of the Company predominantly comprises of mining of Barytes. This activity constitutes the primary segment and is the only reportable segment.

#### **15. Earnings per share:**

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax for the year. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.

#### **16. The Company is account for, for the Short fall quantity of over burden as per the Stripping ratio fixed in the Mining Plan. The excess will be adjusted to the provision of short fall quantity of Over burden, as and when occurs.**



**Note-II) Notes to consolidated financial statements for the year ended 31-March 2016**

*(All amounts are in Indian Rupees unless otherwise stated)*

**1. Foreign currency transactions**

Particulars	As at March 31, 2016
<b>Earnings in Foreign Currency</b>	
FOB Value of Exports	84,07,300
<b>Expenditure in Foreign Currency</b>	
Foreign Travel Expenses	1,21,990
<b>Value of Imports on CIF Basis</b>	
Capital Goods	.
Stores and Spares	7,12,030
<b>Total</b>	<b>92,41,320</b>

**2. Contingent Liabilities and Commitments**

Particulars	As at March 31, 2016																									
<b>Contingent liabilities not provided for</b>																										
a) (i) Against the cases pending with Money suits and arbitration	84,16,14,725																									
(ii) Expenditure towards Project Displaced families	63,45,00,000																									
b) Bank Guarantees furnished to different Departments by giving 100% margin by pledging fixed deposits against																										
i) On behalf of Subsidiary Companies & Joint Venture companies	92,16,000																									
ii) Others	64,93,350																									
c) i) Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	6,87,48,956																									
ii) Demand raised by Service Tax authorities which has been disputed and pending before Appellate authorities.	-																									
d) As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2014-15, the total demand raised, deposits made and remaining un paid are as follows.																										
<table><tr><th>Assessment year</th><th></th><th>Demand as per the Assessment order</th><th>Deposit made</th><th>Remaining unpaid</th></tr><tr><td>1998-99</td><td>Expl.</td><td>4,40,837</td><td>1,53,370</td><td>2,87,467</td></tr><tr><td>1999-00</td><td>Expl.</td><td>4,28,653</td><td>92,400</td><td>3,36,253</td></tr><tr><td>2000-01</td><td>Expl.</td><td>6,77,565</td><td>1,69,440</td><td>5,08,165</td></tr><tr><td>2002-03</td><td>Expl</td><td></td><td>4,32,224</td><td></td></tr></table>	Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid	1998-99	Expl.	4,40,837	1,53,370	2,87,467	1999-00	Expl.	4,28,653	92,400	3,36,253	2000-01	Expl.	6,77,565	1,69,440	5,08,165	2002-03	Expl		4,32,224		
Assessment year		Demand as per the Assessment order	Deposit made	Remaining unpaid																						
1998-99	Expl.	4,40,837	1,53,370	2,87,467																						
1999-00	Expl.	4,28,653	92,400	3,36,253																						
2000-01	Expl.	6,77,565	1,69,440	5,08,165																						
2002-03	Expl		4,32,224																							



2003-04	Expl		50,000		
2004-05	Expl	3,01,486	3,01,486	0	
2005-06	Expl	45,14,683	45,14,683		
2006-07	Expl	50,39,440	50,39,440		
2007-08	Expl	31,43,331	31,43,331		
2007-08	Penalty	7,85,833	3,92,920	3,92,913	
2008-09	Expl&C onst.	2,00,94,02 9	1,00,47,015	1,00,47,014	
2008-09	Penalty	50,23,507	16,74,502	33,49,005	
2008-09	Interest	6,02,821	0	6,02,821	
2009-12	Conside ration	6,68,88,24 1	4,35,92,560	2,32,95,681	
2009-12	Penalty	1,67,22,06 0	83,61,030	83,61,030	
Total - A		12,46,62,4 86	7,79,64,361	4,71,90,349	
Less: Share of TSMDC			(3,11,04,064)		4,71,80,349
			4,68,60,297		

#### Capital Commitments

e)	Capital Commitment Towards Chimakurthy Black Galaxy Granite Project- Land towards Consideration of land admeasuring to 266.86 acres for Patta land at Chimakurthy belonging to Animal Husbandry Department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	6,21,96,000
f)	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Managampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax	6,00,00,000
g)	The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03- 1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the Income Tax authorities disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre. The Government of Andhra Pradesh vide G.O.Ms.No.18,dt.13-01-2016 issued a	

<p>G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p> <p>i) To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.</p> <p>ii) To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>iii) It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals. However, the fund has not been utilised over last many years.</p> <p>The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>	
i). Aggregate till end of the Previous year	2,51,21,92,989
ii). For the year(net off payment)	61,90,16,347
<b>Total</b>	<b>3,13,12,09,336</b>

### 3. Corporate Social Responsibility

Particulars	As at March 31, 2016
Gross amount required to be spent by the Parent company during the year	7,25,6,759
Construction / Acquisition of any assets	Nil
ON Purposes other than one above	1,11,13,338

### 4. Disclosure in accordance with sec 22 MSMED Act, 2006

Particulars	As at March 31, 2016
a) Principle amount remaining unpaid and interest thereon	-
b) Interest paid in terms of Sec.16	-

c) Interest due and payable for the period of delay in payment	-
d) Interest accrued and remaining unpaid.	-
e) Interest due and payable in succeeding years	-

\*This information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the company

5. The Government notifies Miners Contribution to District Mineral Foundation fund and National Mineral Exploration trust fund on 17th September 2015. The miners have to contribution ( 30% ) and (2% ) on the applicable Royalty to the District Mineral foundation and National Mineral Exploration Trust fund, miners who were awarded leases before January 12,2015. Accordingly the District Mineral Foundation Fee for Rs.22,54,071/- and National Mineral Exploration Trust fund Rs.1,50,272 from January 12,2015 the date of coming into force of the MMDR Act. Accordingly the amounts have been adjusted against the Infrastructure Development Fund Rs.11,15,035 and balance amount of Rs. 12,89,308 has been recovered from the Buyers of Barytes.

Particulars	As at March 31, 2016
District Mineral Foundation Fund	11,99,37,184
National Mineral Exploration Trust Fund	79,95,819
<b>Total</b>	<b>12,79,33,003</b>

6. As per clause 10 of the agreement entered with the joint venture companies, the Parent Company has collected 5% consideration amount payable by each joint venture company and the same amount would be spent by a designated committee for infrastructure and other facilities in mining villages and as per clause(11)(5) of the Sale Agreements of Barytes, the Parent Company collected @Rs.10/- per MT upto August,2011 and @ 1% of the sale value w.e.f September,2011 towards infrastructural development fees. The amounts so collected were shown as other liabilities

Particulars	As at March 31, 2016
<b>Aggregate amount at the close of the year</b>	<b>18,93,77,000</b>

#### 7. Earnings Per share

Particulars	Year Ended March 31, 2016
Net Profit after tax available for equity shareholders	2,22,02,30,609
Weighted Average number of equity shares for Basic EPS (Nos)	63,062
Add: Adjustment for outstanding share options (Nos)	-
Weighted Average number of equity shares for Diluted EPS (Nos)	63,062





Face value per share ('000)	
Basic & Diluted EPS * ('000)	35,207.11

8. The milestones in respect of Suliya-Belwar Coal Block are completed in respect of preparation of Mine Plan, preparation of Geographical Report, Socio-impact Assessment, public hearing, submission of Mine Plan to Ministry of Coal and acquisition of private land to a tune of 791 Ha. and expected to start production by April, 2016. Hence, as per the 372nd Board Meeting held on 19th April, 2014, "the Board desired that so far as the expenditure in the project is concerned, it shall be converted into Equity or Debentures at a later date and the present Authorised Equity Capital of Rs.20.00 crores may be increased accordingly. The increased Paid Up Equity Capital shall always be in the ratio of 51:49 for APMDC and SCCL respectively. The A.G. Auditors pointed out that "As per the agreements entered into, the Company had to subscribe to equity of Rs.10.20 crore (51% of Rs.20.00 crore) in APMDC - SCCL Suliya Coal Company Limited i.e., a Joint Venture (JV) Company. The financing pattern stipulated all expenditure incurred should be reimbursed to the Company after formation of JVC or adjusted against the equity contribution of the Company. Though an amount of Rs.23.23 crore was spent on behalf of JV Company, the entire amount was shown under Long-term loans and Advances. The portion of expenditure (Rs.10.20 crore) incurred by the company in JV should have been treated as equity contribution and reflected as 'Non-current Investments' instead of 'Long term Loans and Advances'. This has resulted in understatement of Non-Current Investments by Rs.10.20 crore and overstatement of 'Long-term Loans & Advances' by a similar amount."

The Corporation entered into agreement with the JV Company only on 22nd April, 2013. Further, both the AG and Statutory audits have been completed upto the financial year 2010-11, the same has not been proportioned to Advance to expenditure in Suliya Coal Block at this stage. Accordingly the expenditure incurred from the financial year 2011-12 onwards was transferred to Suliya Coal Block Branch Advances the same will be capitalised and converted into Equity at a later date. (Rs.30025.78 lakhs for the period from 02/04/2014 to 31/3/2015) (Previous year Rs.15291.67 lakhs).

We are claiming 49% of the total due amount along with interest from SCCL and after the Corporation receives the amount along with the portion of Rs.10.77 crores incurred during the financial year 2004-05 to 2010-11, it can be treated as Income in the year in which the Corporation receives the amount from M/s SCCL. Further, the Corporation has paid Rs.1,56,87,000/- to Ministry of Coal, Government of India on 28-04-2014 towards proportionate Deduction of total Bank Guarantee of Rs.5.81 crores in respect of Suliya Coal Block due to delay in progress and slippage in milestones of the Suliya Coal Block and action imposed by Ministry of Coal, Govt. of India. The amount paid in April 2014 provision was made in the financial year 2013-14 and transferred to subsidiary company account Suliya Coal Block which was earlier allotted to APMDC Ltd., has been de-allocated as per the orders of Hon'ble Supreme Court of India on 24th



September, 2014. Now it is re-allocated to APMDC Ltd. as standalone basis vide (1) Order No.F.No.103/9/2016/NA at Madanpur South Coal Mine(Charisghar) an extent of 713.5 Hectares (2) Order No.F.No.103/10/2016/NA at Sullyari Coal Mine(Madhya Pradesh) an extent of 1298 hectares. . Fresh allocation of the same Coal block to APMDC was made on standalone basis and no JV arrangement is permitted. In view of this development and since APMDC is contemplating winding up of JV Company, accounting entries are required to be reviewed and appropriate adjustments and modifications etc., will be made as and when settlement of the issue

Letter No.CRP/CS/408 SUL./452,dt.09.09.2020, it is to submit that APMDC has placed the matter regarding winding up of APMDC-SCCL Sullyari Coal Company Ltd (JV Company) and to examine the request of M/s Singareni Collieries Co.Ltd., for refunding share application money of RS.9.80 crores before its 406<sup>th</sup> Board Meeting held on 1<sup>st</sup> February, 2021. The Board discussed the same and opined to defer the matter till settlement of the issues of Bifurcation of the State.

9. The Corporation has opened Post Office Savings Accounts which are pledged with the Assistant Director of Mines and Geology for granting leases, of which copies of pass books of SB Accounts are as follows:

a) Copies of pass books available-	Rs 39,76,002
b) Non-available of passbook	Rs. 66,000
Total	<u>Rs.40,42,002</u>

Further, the interest on copies available Postal Savings Account has been taken into the books of accounts from the year 2010-11 and the interest will be taken in the books of accounts every year from 2013-14 onwards.

10.(i).Other Liabilities Includes amount collected towards Service Tax from buyers who had paid under protest and the matter is pending with Service Tax Appellate Tribunal, Bangalore. Pending disposal of appeal, a sum of Rs. 200 lakhs has been paid on 10-08-2012 as advance payment.

(ii).Amount recovered from contractors toward payment of VAT on the Explosives supplied to the contractor was treated as deemed second sale by appropriate authorities. The Corporation preferred appeal against the same which is pending before the Sale Tax Appellate Tribunal

Particulars	As at March 31, 2016
Amount Pending before Service Tax Appellate Tribunal (Service Tax)	5,57,08,439
Amount Pending before Sales Tax Appellate Tribunal (VAT)	



11. The Corporation obtained National Savings Certificates and pledged with Assistant Director of Mines and Geology for granting leases to the Corporation. Out of the above, the copies of the National Saving Certificates of Rs.1500 are not available. The National Saving Certificates amounting Rs. 121 lakhs have been obtained in the personal name of VC&MD instead of Corporation. However office door number was mentioned in the certificates. Further the department of Mines & Geology (DMG) confirmed vide letter No 4118/S/2005, dt.07.10.2013 that the Corporation had paid the amounts in the form of National Savings Certificates towards security deposit at the time of execution of quarry lease deeds duly pledged in the name of Asst. Director of Mines and Geology, Hyderabad towards Mine Zones.

Further, the Corporation addressed a letter to the General manager Indian post office on 2-5-2014 duly informing that all the National Savings Certificates were issued in the name of the individuals and that since cheques were issued by the A.P.M.D.C. to the postal authorities at the time of purchase of NSC Certificates the Corporation and not the individuals will submit the NSC after its maturity date and requested for remittance of matured amount in favour of M/s. APMDC.

**Allocation to Two Regions:**

	A.P.	T.S	Total
Head Office	70,56,953	50,43,447	1,21,00,400
Branches	71,500	0	71,500
<b>Total</b>	<b>71,28,453</b>	<b>50,43,447</b>	<b>1,21,71,900</b>

12. The Corporation has not recognized the amount recovered from contractor towards penalties and kept the same under Penalty Suspense A/c since the matter was subjudice, at the close of the year.

Particulars	As at March 31, 2016
a) The amount in subjudice B. Kumar Swamy Reddy	63,42,418
b) Balance amount for review of contract period (VLC- SCKC)	17,33,53,617
<b>Total</b>	<b>17,96,96,035</b>

**13. Related Party Transactions**

i) Following is the list of related parties and relationships.

S.No	Particulars	S.No.	Particulars
A)	Joint Ventures	C)	Associate Enterprises
1	A.P. Granites ( Midwest ) P Ltd	26	Gimpex Pvt Ltd
2	Pallava Red Granites ( P ) Ltd	27	Alliance Granimarmo Pvt Ltd
3	A.P.Coastal sands & Metals Pvt Ltd	28	Bothli Chemicals & Mining Pvt Ltd
4	Gimpex AP Barytes Beneficiation (P) Ltd	29	SRAP Minerals



5	Andhra Baryte Corporation (P) Ltd		
6	Andhra Pradesh Iron Ore Company Ltd	D)	Enterprises in which KMP is interested
7	Trimex Barite Private Ltd	30	Supreme Star Shipping Company Pvt Ltd
8	V.V.Minerals	31	MaharshiBarnum Salts Pvt Ltd
9	NuagaonTelesahi Coal Company Ltd.	32	VirtualmazeSoftsys Pvt Ltd
10	Andhra Pradesh Tribal Mining (P) Ltd		
B)	Key Management Personnel	E)	Holding Company/ promoters of Joint Venture
11	K Sailaja Reddy	33	IBC Limited
12	K Subba Reddy	34	P.C.Ranga Raju & Associates
13	VimaladeviKoneru		
14	Pradeep Koneru		
15	ThatiVenkataswamyChowdary	F)	Companies in which Parent Company is interested
16	GVN Rangaraju	35	Alliance A.P.Black Galaxy Granites ( P ) Ltd
17	K.Raja Mohan Reddy		
18	Murali Mohan Reddy		
19	Ashok Govindarajula		
20	Lokesh Kumar DS		
21	Ilambarithi K		
22	AnandBakki		
23	Dilip Kumar Sodani		
24	Pallava Granite Industries India Pvt Ltd		
25	Pallava Granite Industries Chennai Pvt Ltd		

ii) Following is the list of transactions during the year and closing balances.

S.No	Particulars	As at March 31, 2016
	<i>Transactions during the year:</i>	
1	Reimbursement of expenses incurred	
	i) Gimpex Pvt Ltd	14,06,079
2	Goods purchased from related party	
	i) IBC Ltd ( including VAT)	1,02,03,443
3	Goods sold to related party	
	i) IBC Ltd ( including VAT)	2,17,39,627
	ii) Pallava Granite Industries India Pvt Ltd	30,60,443
	iii) Pallava Granite Industries Chennai Pvt Ltd	1,28,782
4	Advance Received for materials	
	i) IBC Ltd	1,01,72,781
5	Technical Consultancy charges	
	i) P.C Ranga Raju and associates	16,800



6	Managerial Remuneration	4,39,375
7	Loans Taken	
	i) Bothli Chemicals & Mining Pvt Ltd	23,620
8	Transport Charges	
	i) Pallava Granite Industries India Pvt Ltd	56,563
	ii) K. Sailaja Reddy	91,073
9	Service tax charges	
	AP Granite Midwest Pvt Ltd	-1,71,53,732
	PallavaRED Granite Pvt Ltd	-38,90,742
10	Outstanding Balance at the year end :	
	i) Gimpex Pvt Ltd	3,30,34,001
	ii) IBC Ltd	-1,94,28,574
	iii) Maharshi Barium Salts Pvt Ltd	-44,000
	iv) Bothli Chemicals & Mining Pvt Ltd	-23,620
	v) Pallava Red Granites ( P ) Ltd	3,34,23,193

#### 14. Subsidiaries and JV's considered for consolidation

Name of the subsidiary / JV/Associate	Place of incorporation	Proportion of ownership interest and voting power held by the Group
		As at 31 March 2016
<b>Subsidiary</b>		
Ongole Iron Ore mining	India	51%
Andhra Phosphate Pvt Ltd	India	50%
<b>Jointly Controlled Entities</b>		
Andhra Baryte Corporation Pvt Ltd	India	11%
AP Iron Ore	India	11%
GimpexApBarytes Beneficiation Pvt Ltd	India	11%
TrimexBaryte Pvt Ltd	India	11%
AP Granite Midwest Pvt Ltd	India	11%
PallavaRED Granite Pvt Ltd	India	11%
AP Coastal Sand Metals Pvt Ltd	India	26%
<b>Associate</b>		
SRAP Minerals	India	26%





15.1 Disclosure of additional information as required by the Schedule III as at and for the year ended 31 March 2016

Name of the Company	Net assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
APMDC	99.62%	9,38,04,58,597	100.44%	2,43,46,23,72
<b>Subsidiaries</b>				
Ongole Iron Ore mining	(0.02%)	(17,12,696)	(0.03%)	(6,18,647)
Andhra Phosphate Pvt Ltd	(0.02%)	(15,17,439)	(0.07%)	(17,83,675)
<b>Minority interest in all subsidiaries</b>	0.00%	0	0.00%	
<b>Jointly Controlled Entities</b>				
Andhra Baryte Corporation Pvt Ltd	0.10%	93,21,415	(0.02%)	(5,60,290)
AP Iron Ore	(0.05%)	(50,69,566)	(0.00%)	(17,342)
GimpexApBarytes Beneficiation Pvt Ltd	(0.03%)	(30,66,872)	(0.00%)	(91,410)
TrimexBaryte Pvt Ltd	0.04%	38,29,584	(0.00%)	(1,698)
AP Granite Midwest Pvt Ltd	0.25%	2,36,03,302	0.01%	2,47,608
PallavaRED Granite Pvt Ltd	0.11%	1,04,09,976	(0.32%)	(78,54,609)
AP Coastal Sand Metals Pvt Ltd	(0.00%)	(27,123)	(0.00%)	(4,420)
<b>Associate</b>				
SRAP Minerals	0.00%	-	0.00%	
<b>Total</b>	<b>100.00%</b>		<b>100.00%</b>	<b>2,42,39,39,24</b>



## 15.2 Subsidiaries and JVs not considered for consolidation:

Investment in the following company have been written off, there are no operations during the year in respect of the underlying financial statements and there are no financial statements for the year ended 31 March 2016 and hence these are not considered for consolidated financial statements.

### Subsidiary Companies:

APMDC SCCL Suliyan Coal Company Ltd	The said Company shall not be taken into CFS as the licence has been cancelled by the Supreme Court judgement please refer to the Para 11(b) of AS-21 and Para 29(b)/39(b) of AS-27
Damodhara Minerals Pvt Ltd	Shall not be taken into CFS as the shares transferred to TSMDC during FY 2015-16 as per AOC-4 filed by the said Company with ROC.

### Jointly Controlled Entity:

Nuagaon Coal Company Ltd	The was incorporated on 11.05.2011. As the company is Dormant U/s 455 as per the Records of MCA portal. Hence, The said Company shall not be taken into CFS.
Aswani Mineral Development (P) Ltd.	The was incorporated on 21.09.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS 2600 equity share are in the Nominee instead of APMDC
Arham Minerals Exports (P) Ltd	The was incorporated on 04.05.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
Isra Minerals Exports (P) Ltd	The was incorporated on 08.05.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
Margasree Granites (P) Ltd	The was incorporated on 11.05.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
Ongole Minerals Exports (P) Ltd	The was incorporated on 17.10.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS.
RLP Granites (P) Ltd	The was incorporated on 17.10.2001. Due to continues default the company is stricken off by the ROC and no records are available in respect of Balance Sheet & AGM held in earlier years on MCA portal. As the records for CFS are not available hence, the said Company is not considered in CFS
V V. Minerals (P) Ltd	The joint venture agreement expired in FY 2013-14 and later on State Government has rejected the renewal/fresh JV agreement in Oct, 2016. As there is no JV agreement exist as on the date preparation of CFS and even percentage of holding (i.e. 1100 equity shares which 12.36% of total voting power) in the said company is less than 20% of voting power hence it has not been considered in CFS



Alliance AP BGG Pvt Ltd	The JV requested to surrender the land allotted under JV agreement vide letter dated 30-03-2013 and Board of APMDC accepted the matter in 364th Board meeting held on 27-04-2013 and the same was approved by Director of Mines & Geology by order dated 03-03-2015. As there is not JV agreement exist as on the date preparation of CFS and even percentage of holding (i.e. 11,00,000 equity shares which 11% of total voting power) in the said company is less than 20% of voting power hence it has not been considered in CFS.
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#### Associates

Andhra Pradesh Tribal Mining (P) Ltd	As the company is strike off and as per the Records of MCA portal the last AGM of company was held on 14.09.2006. Hence, The said Company shall not be taken into CFS.
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15.3 The Company is in the process of reconciling its balances with certain Joint Ventures, while preparation of the consolidated financials, these intercompany balances have been eliminated to the extent of reconciled balances, and in case where balances were not reconciled the least of the balance in either of the related party books has been eliminated and the balance is disclosed under related party transactions.

16. On the first occasion that consolidated financial statements are presented, comparative figures for the previous period is not be presented as per Para 30 of AS-21.

#### 17. Treatment of demerger plan in the Books of accounts

The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana.

Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.

In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.

The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.

The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC & TSMDC and the formula for bifurcation was approved.



- The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for the purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.
- As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC -58.32%
  - TSMDC -41.68%
- APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GoAP vide G.O.Ms.No 19 dated 29.01.2019.

The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government to complete the pending formalities.

Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Ratio		58.32%	41.68%
Share holders Funds			
a) Share capital	6,30,62,000	3,67,77,758	2,62,84,242
b) Reserve & Surplus	1042,81,41,579	608,16,92,169	434,64,49,410
Deferred Govt. Grants	18,868	11,004	7,864
Current / Non Current liabilities			
a). Deferred Tax Liability	23,58,465	13,75,457	9,83,008
b). Trade Payables	233,80,03,303	136,35,23,526	97,44,79,777
c). Other Current Liabilities	66,68,27,321	38,88,93,694	27,79,33,627
d). Provisions	10,72,29,568	6,25,36,284	4,46,93,284
Total	1360,56,41,104	793,48,09,892	567,08,31,212

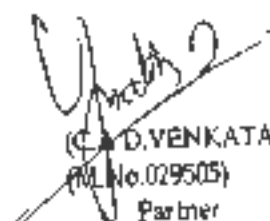
Assets	Common Pool (Rs)	Andhra Pradesh (Rs)	Telangana (Rs)
Non-Current Assets			
a). Fixed Assets (WDV)	3,44,04,765	2,00,64,859	1,43,39,906
b). Non-Current Investment	4,99,44,310	2,91,27,522	2,08,16,788
c). Loans & Advances	366,00,22,375	213,45,25,049	152,54,97,326
Current Assets			
a). Inventories	13,93,449	8,12,659	5,80,790

b). Trade receivables	1,65,62,636	96,59,329	69,03,307
c). Cash & Bank Balances	4,38,852	2,58,938	1,82,914
d). Fixed Deposits - BG	137,27,71,631	80,06,00,415	57,21,71,216
e). Other Fixed Deposits	816,21,34,483	476,01,56,830	340,19,77,653
f). Other Current Assets	42,54,52,229	24,81,23,740	17,73,28,489
Total	1372,31,24,730	800,33,26,343	571,97,98,387

Necessary adjustments will be made in respect of distribution of investments of free ride equity shares, corresponding capital reserve, other investments and share Capital in the year in which the distribution of Assets & liabilities will be made, after the approval of the both States on the recommendations of the Expert Committee. The portion of share capital Rs. 2,62,84,242/- will be transferred pertaining to Telangana Region, in the form of equivalent cash

As per our report of even date attached for and on behalf of the Board

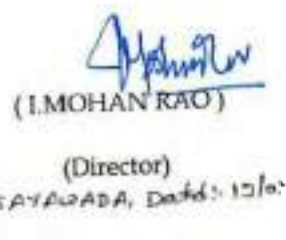
For VENUGOPAL & CHENY  
(F.R.No.004671S)  
Chartered Accountant

  
(D.VENKATA JANKINATH)  
(F.R.No.029505)  
Partner



Place: HYDERABAD  
Date : 05/05/2021

  
(V.G.VENKATA REDDY) (FAC)  
VICE-CHAIRMAN &  
MANAGING DIRECTOR  
VIZAYAWADA, Dated: 12/05/2021

  
(I.MOHAN RAO)  
(Director)  
VIZAYAWADA, Dated: 12/05/2021

  
(D.SRINIVASA RAO)  
JDMG (FAC, F&A)



STATEMENT OF FINANCIAL RESULTS FROM 2005-2006 TO 2015-16					
Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
I) Sources of Funds					
a). Share Capital	630.62	630.62	630.62	630.62	630.62
b). Loan From Bank	183.5	1,213.74	103.11	3,389.78	0
c). Loan From Government	0	0	0	0	0
TOTAL	814.2	1,844.36	733.73	4,020.40	630.62
II) Sales	5,895.24	9,008.41	9,318.09	15,647.03	21,699.84
III) INVENTORIES					
a. Stock (Finished Goods and Work-in-Progress)	224.53	705.87	435.13	905.43	1,571.31
b. Stores & Spares	32.21	66.56	88.85	84.02	70.12
IV) Debtors	651.68	967.05	927.48	2,249.25	2,278.36
V) Fixed Assets					
Gross Block	1,180.53	1,296.38	1,484.14	1,605.03	1,628.01
Less: Depreciation	-519.97	-571.16	-649.08	-739.95	-791.83
Net Block	660.57	725.21	835.06	865.08	836.18
Capital Work-in-Progress	0	4.71	0.14	3.59	8.39
TOTAL	660.57	729.92	835.2	868.67	844.57
VI) Loans & Advances	1,867.24	3,574.74	3,944.35	7,778.87	5,293.48
VII) Other Current Assets (including Cash and Bank Balances	6,955.57	7,778.61	11,817.26	15,062.82	17,377.68
VIII) Current Liabilities and Provisions	4,485.52	5,882.91	6,701.40	7,974.04	6,660.86
IX) Profit (+) Loss (-) for the year	1,972.47	3,394.62	5,552.70	6,669.78	8,383.59
X) Profit Percentage %	33.46	37.68	59.59	42.63	38.63
XI) Dividend paid	100.9	100.9	100.9	100.9	100.9
XII) Dividend %	16	16	16	16	16

Rupees in Lakhs					
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
630.62	630.62	630.62	630.62	630.62	630.62
0	0	0	0	0	
0	0	0	0	0	
630.62	630.62	630.62	630.62	630.62	630.62
23,416.59	38,241.10	65,639.90	51,431.01	19,994.11	67950.38
1,783.65	427.31	516.13	3,056.68	7,152.43	6034.94
74.48	198.81	142.04	118.04	86.07	48.75
869.49	900.87	1,145.45	1,751.93	1,238.06	1396.1
1,933.41	2,429.79	2,559.47	2,823.44	2,702.91	3,992.99
-898.67	-1,045.05	-1,070.86	-1,271.62	-1,432.97	-1,652.95
1,034.74	1,384.74	1,488.61	1,551.82	1,269.93	2340.04
3.87	0.61	0.03	115.74	614.59	0
1,038.61	1,385.35	1,488.64	1,667.56	1,884.52	2340.04
5,465.24	7,740.11	33,467.31	28,271.79	26,009.10	49783.07
27,862.53	50,064.90	62,113.52	1,07,851.19	63,172.85	15,444.98
10,203.75	18,552.90	24,367.60	40,469.44	37,777.21	44,849.34
9,705.23	23,053.43	48,124.81	43,502.50	17,147.83	37364.7
41.45	60.28	73.32	84.58	85.76	54.99
157.65	157.65	157.65	157.66	157.66	157.66
25	25	25	25	25	25



The Andhra Pradesh Mineral Development  
Corporation Limited

### **MINES**

#### **BARYTES MINES**

Mangampet Barytes Mining & Pulverising Unit  
Mangampet, YSR Kadapa District.

#### **CLAY MINES**

Sri Venkateswara Clay Mines,  
Dwarakatirumala,  
West Godavari District.

#### **BLACK GRANITE MINES**

Warangal District  
Choutapally  
Nalgonda District  
Venkataramapuram.

#### **LIMESTONE MINES**

Piduguralla  
Guntur District  
Devapur  
Adilabad District

#### **SEMI-PRECIOUS STONES PROJECT**

Visakhapatnam.



The Andhra Pradesh Mineral Development  
Corporation Limited

## **C O N T E N T S**

**BOARD OF DIRECTORS**

**NOTICE TO SHAREHOLDERS**

**DIRECTOR'S REPORT**

**COMMENTS OF C&AG**

**STATUTORY AUDITORS REPORT ON STANDALONE AS ON 01.04.2016 TO 31.03.2017**

**STANDALONE BALANCE SHEET AS ON 01.04.2016 TO 31.03.2017**

**STANDALONE PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2016 TO 31.03.2017**

**CASH FLOW STATEMENT 01.04.2016 TO 31.03.2017**

**SCHEDULES 1-19 AS ON 01.04.2016 TO 31.03.2017**

**STATUTORY AUDITORS REPORT ON CONSOLIDATION AS ON 01.04.2016 TO 31.03.2017**

**CONSOLIDATED BALANCE SHEET AS ON 01.04.2016 TO 31.03.2017**

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD 01.04.2016 TO 31.03.2017**

**CASH FLOW STATEMENT 01.04.2016 TO 31.03.2017**

**SCHEDULES 1-27 OF 01.04.2016 TO 31.03.2017**

**STATEMENT OF FINANCIAL RESULTS FROM 2006-07 TO 2016-17**

## **BOARD OF DIRECTORS**

### **CHAIRMAN:**

- 1) Sri M. Girija Shankar, IAS., (from 14-10-2015 to 11-09-2016)
- 2) Sri B. Sreedhar, IAS., (from 12-09-2016 to 08-02-2019)
- 3) Sri I. Srinivas Srinaresh, IAS., (from 08-02-2019 to 14-05-2019)
- 4) Sri Anil Chandra Punetha, IAS., (from 15-05-2019 to 31-05-2019)
- 5) Sri K. Ramgopal, IAS., (from 19-08-2019 to 01-05-2020)
- 6) Sri Gopal Krishna Dwivedi, IAS., (from 01-05-2020 to 25-07-2021)
- 7) Smt G. Shameem Aslam (from 26-07-2021 to 25-07-2023)

### **VICE-CHAIRMAN & MANAGING DIRECTOR:**

- 1) Sri Ch. Venkaiah Chowdary, IRS., (from 24-08-2015 to 26.06.2019)
- 2) Sri Y. Bhanu Prakash, IAS., (from 27-06-2019 to 13-09-2019)
- 3) Sri M. Madhusudhan Reddy, IRAS., (from 16-09-2019 to 20-05-2020)
- 4) Sri V.G. Venkata Reddy (from 20-05-2020 to 01-06-2020)
- 5) Sri Hari Narayanan. M, IAS., (from 02-06-2020 to 01-02-2021)
- 6) Sri V.G.Venkata Reddy (from 04-02-2021 to Till the Date)

### **DIRECTORS:**

- 1) Sri J C Sharma (from 21-10-2014 to 30-04-2017)
- 2) Smt Hema Munivenkatappa (from 14-10-2015 to 08-09-2017)
- 3) Sri V. Radha Krishna (from 14-10-2015 to 31-07-2017)
- 4) Sri Karikal Valaven (from 30-04-2017 to 16-07-2017)
- 5) Sri Durga Prasad Sahu (from 02-08-2017 to 30-08-2017)
- 6) Dr. Manmohan Singh (from 16-07-2017 to 31-10-2019)
- 7) Dr. K V V Satyanarayana (from 08-09-2017 Till the date)



8) Smt D. Rama Devi	(from 30-08-2017 to 28-08-2020)
9) Sri I. Srinivas Srinaresh	(from 08-02-2019 to 20-07-2019)
10) Sri K. Ramgopal	(from 20-07-2019 to 03-03-2020)
11) Smt V. Usharani	(from 31-10-2019 to 22-12-2021)
17) Sri V.G. Venkata Reddy	(from 03-03-2020 to Till the date)
18) Sri I. Mohan Rao	(from 29-08-2020 to 03-03-2022)
19) Smt Mala Jayasudha	(from 20-09-2021 to 20-09-2023)
20) Sri C. Harish Reddy	(from 20-09-2021 to 20-09-2023)
21) Smt Marty Lakshmi	(from 20-09-2021 to 20-09-2023)
22) Smt G. Sujatha	(from 20-09-2021 to 20-09-2023)
23) Sri M.Balamuni Reddy	(from 20-09-2021 to 20-09-2023)
24) Smt ES.Salma	(from 20-09-2021 to 20-09-2023)
25) Sri Lingareddy Veera Prathap Reddy	(from 20-09-2021 to 20-09-2023)
26) Sri Bandireddy Bapireddy	(from 20-09-2021 to 20-09-2023)
27) Sri Bathula Rama Rao	(from 20-09-2021 to 20-09-2023)
28) Smt Chilluru Manjusha	(from 20-09-2021 to 20-09-2023)
29) Sri K V Ramana Reddy	(from 20-09-2021 to 20-09-2023)
30) Smt D. Rama Devi	(from 03-03-2022 to Till the Date)
31) Sri Bipin Kumar	(from 09-12-2022 to Till the Date)
32) Sri Raman Narayanan	(from 01-02-2023 to Till the Date)
31) Sri D Mallikarjuna Reddy	(from 06-04-2023 to Till the Date)

**COMPANY SECRETARY / GENERAL MANAGER (COMPANY LAW AFFAIRS):**

- 1) Sri T. Subba Rao  
Company Secretary Retainership

2) Smt M. Prameela Rani  
B.Com., LLB., ICSI  
General Manager (CLA) (from 24-04-2016 to 30-11-2019)

3) Sri R.Manikiran  
Company Secretary on Retainership

**EXECUTIVE DIRECTOR:**

1) Sri H.D. Nagaraja  
Executive Director (from 31-07-2010 to 30-09-2020)

2) Sri R.Kedarnath Reddy  
Executive Director (from 07-10-2021 to Till the date)

**GENERAL MANAGER (F&A):**

1) Sri B. Srinivasa Murthy,  
B.Com., F.C.A., (from 10-03-2008 to 30-04-2021)

2) Sri A. Nageswara Reddy (from 30-12-2021 to Till the Date)

**AUDITORS:**

M/s. Srirama Murthy & Co.,  
Chartered Accountants,  
Hyderabad.

**BANKERS:**

- 1) Union Bank of India
- 2) State Bank of India
- 3) ICICI Bank

**REGISTERED & CORPORATE OFFICE:**

1) D.No.6-1-67/19/1 & 67/20, Flat No.302,  
Super Classic Apartment, Saifabad,  
Lakdikapool, Hyderabad,  
Telangana – 500004, India.

2) Door No.294/1D,  
100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137,  
Andhra Pradesh.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LTD**  
**(A State Government of A.P. Undertaking)**  
Reg. Office: D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic  
Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Corp off: No.294/1D, 100 Feet Kanur to Enikepadu Road, Vijayawada – 521 137,  
A.P  
Tel: 0866 2429999, Fax: +91 40-23393152

### **SHORTER NOTICE**

**To**  
**THE SHARE HOLDERS**

Notice is hereby given that Adjourned 56<sup>th</sup> Annual General Meeting of the A.P. Mineral Development Corporation Limited will be held on **22<sup>nd</sup> August, 2023 at 12.30 PM** at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh - 521137 to transact the following business:-

### **ORDINARY BUSINESS:**

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

By order of the Board of Directors

Sd/-

Vice- Chairman & Managing Director

Date:

Place: Vijayawada

### **Note:**

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and that the proxy need not be a member of the Company.
- 2) Consent of the Shareholders to convene the Adjourned 56<sup>th</sup> Annual General Meeting of the Company with a shorter notice required under the provisions of the Sec.101(1) of the Companies Act, 2013 is being obtained.

**FORM No. MGT – 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U13209TG1961SGC000871  
Name of the Company : The Andhra Pradesh Mineral Development Corporation Limited.  
Registered Office : D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.

Name of the Member:

Registered Address:

E-Mail Id:

Folio No / Client Id:

DP ID:

I /We, being the member (s) of \_\_\_\_\_shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

2. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

3. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Adjourned 56<sup>th</sup> Annual General Meeting of the Company, to held on 22<sup>nd</sup> August, 2023 at the Corporate Office of the Company.

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2017 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

**THE COMPANIES ACT, 2013**  
**CONSENT of Shareholders for Shorter Notice**  
**{Pursuant to Section. 101(1)}**

To,  
The Board of Directors,  
A.P. Mineral Development Corporation Limited.

We, the following members holding equity shares as mentioned below hereby give consent, pursuant to Sec. 101 (1) of the Companies Act, 2013, to hold the Adjourned 56<sup>th</sup> Annual General Body Meeting on 22<sup>nd</sup> August, 2023 at 12.30 PM with shorter notice at its Corporate Office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh-521137.

1. Sri V.G. Venkata Reddy,  
Director of Mines & Geology  
Chairman & Shareholder  
(Holding one equity share of Rs.1000/-) \_\_\_\_\_
2. Sri V.G. Venkata Reddy.,  
Vice-Chairman & Managing Director (FAC)  
& Shareholder  
(Holding one equity share of Rs.1000/-) \_\_\_\_\_
3. Governor of Andhra Pradesh  
Represented by Sri Ramesh Chandra Sahu  
Asst. Secretary to Govt.,  
Industries & Commerce Dept.,  
(Holding 63,059 equity share of Rs.1,000/-) \_\_\_\_\_
4. Sri V. Sekhar Babu  
Section Officer,  
Industries & Commerce Department  
(Holding one equity share of Rs. 1,000/-) \_\_\_\_\_





## **The Andhra Pradesh Mineral Development Corporation Limited**

(A State Government of A.P. Undertaking)

Door No.294/1D, 100 Feet Tadigaadapa to Enikeparlu Road, Kanur, Vijayawada - 521 137.

**Andhra Pradesh.** Tel: 0866 - 2429999 Fax: 0866 - 2429977

**E-Mail:** info@apmdc.in : **Website:** [www.apmdc.ap.gov.in](http://www.apmdc.ap.gov.in)

CIN: U13209TG1961SGC000871

### **DIRECTOR'S REPORT**

**To,**

**The Members,**

**The Andhra Pradesh Mineral Development Corporation Limited.**

Your Director have pleasure in presenting their 56<sup>th</sup> Annual Report on the business and operation of the company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2017.

#### **FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial results for the year ended 31<sup>st</sup> March, 2017 and the corresponding figures for the last year are as under:-

<b>Particulars</b>	<b>(Rs. In '000's)</b>	
	<b>2016-17</b>	<b>2015-16</b>
Profit Before interest, Depreciation & Tax	52,63,599	41,97,132
Less: Finance Cost	76,447	8,732
Less: Depreciation & Amortization Expense	44,432	37,527
Profit before Tax	51,42,720	41,50,873
Provision for Tax		
Income Tax (JV)	12,42,941	15,67,623
Deferred Tax	7,24,236	4,11,827
Profit after Tax	31,75,543	29,95,078
Less: Proposed Dividend & Tax thereon	-	-
Balance carried to Balance Sheet	31,75,543	29,95,078

#### **RESERVE & SURPLUS:**

Out of the total profit of Rs.31,75,543/-('000's) for the financial year Rs 3,17,554/ ('000's) amount is proposed to be transferred to the General Reserve.

#### **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company done during the year.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

**DIVIDEND:**

To strengthen the financial position of the Company and to augment working capital, your directors regret to declare any dividend. **NIL**

**MEETINGS:**

During the Financial Year 2016-17, Six (6) Board Meetings were held on 1-04-2016, 18-07-2016, 17-09-2016, 18-11-2016, 23-12-2016, 24-3-2017. The maximum time gap between the two consecutive meetings was within the period prescribed under the companies Act, 2013.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As required pursuant to section 135(1) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Corporate Social Responsibilities (CSR) Activities as **{ANNEXURE - IV}**.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:****1) JOINT VENTURE COMPANY:****(a) M/S. ANDHRA PHOSPHATE PRIVATE LIMITED**

During the year 2016-17, the company has achieved a turnover of Rs 21.52 Lakhs against the previous year turnover of Rs.16.01lakhs. The Company registered a Gross loss of Rs 7.49 lakhs against the previous year's Gross loss of Rs.19.66Lakhs before taxes and the net loss is Rs.7.44 Lakhs for the year as against the previous year net loss of Rs.17.84 Lakhs.

### **III) SUBSIDIARY COMPANIES:**

#### **M/s. ONGOLE IRON ORE COMPANY PRIVATE LIMITED (ANNEXURE – I)**

During the year the company has not commenced any business operations. The company is in the process of obtaining necessary pre-mining clearances for the project. During the year the company recorded a net loss of Rs. 5,22,233/- for the year 2016-17 as against net loss of Rs.6,18,647/- for the year 2015-16.

The accumulated loss carried to the Balance Sheet up to 31<sup>st</sup> March, 2017 is Rs 33,34,929/-.

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **CHANGES IN SHARES CAPITAL:**

The Company has not issued any Equity Shares during the year under review.

### **STATUTORY AUDITORS:**

**M/s. Sriramamurthy & Co., (003032-S)** Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held were appointed for a period of 4 years until the conclusion of 56<sup>th</sup> Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuing annual general meeting to the conclusion of next annual general meeting.

### **AUDITOR'S REPORT:**

The Auditor's Report does not contain any qualification, Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any future comments.

### **EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 9 as a part of this Annual Report as **(ANNEXURE – III)**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

**Details of Loans:**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Companies Act, 2013, is (AS PER SITUATION)

**DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis (ANNEXURE – II)

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not received any complain during the year 2016-17.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows.

**Conservation of energy**

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

**Technology absorption**

(i)	the effort made towards technology absorption	Nil
(ii)	the benefits derived like product improvement cost reduction product development or Import substitution	Nil
(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. Nil.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:



The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors had prepared the annual accounts on a going concern basis; and

The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively

**ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

**For and on behalf of the Board of Directors**



**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**

**The Andhra Pradesh Mineral  
Development Corporation Limited**



**(V.G.Venkata Reddy)**  
**(DIN:08805525)**  
**Vice Chairman & Managing Director (FAC)**

**Place: Vijayawada**


**Date : 22.08.2023**

**ANNEXURE - I**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

Name of the Subsidiary Company	M/s. Ongole Iron Ore Company Pvt. Ltd.
1. The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2017
2. a) paid up Capital of the Subsidiary Company	Rs. 11,00,000/-
b) No. Of shares held by APMDCL with its nominees in the subsidiary	56,100 Shares of Rs. 10/- each fully paid up.
c) Extent of interest of holding Company at the end of Financial year	51%
3. The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
a) Not dealt with in the holding Company's accounts	
i) For the Financial year of the subsidiary Company	Nil
ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
b) Dealt with in the holding company's accounts	
i) For the Financial year of subsidiary Company	Nil
ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary.	Nil

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**

  
**(V.G. Venkata Reddy)**  
**(DIN: 08805525)**  
**Vice Chairman & Managing Director (FAC)**

**Annexure - II**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SGC000871)

**FORM NO. AOC -2**

**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/ transaction	N.A
c)	Duration of the contracts/ arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A

I. Details of contracts or arrangements or transactions at Arm's length basis.

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts / arrangements / transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board	N.A
f)	Amount paid as advances, if any	N.A

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(V.G.Venkata Reddy)  
(DIN:08805525)  
Vice Chairman & Managing Director (FAC)

**Annexure-III**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SGC000871)

**Form MGT-9**

**Extract of Annual Return as at the financial year ended on  
31.03.2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U13209TG1961SGC000871
2. Registration Date	24.02.1961
3. Name of the Company	ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED
4. Category/Sub-category of the Company	Government Private Company  Limited by Shares
5. Address of the Registered office & contact details	D No.6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapool Hyderabad Hyderabad TG 500004 IN
6. Whether listed company (Yes / No)	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Mining	0899	100%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	M/s. Ongole Iron Ore Company Pvt. Ltd.	U13100TG2009SGC063631	Subsidiary	51%	

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

(i). Category-wise Share Holding - Total Number of Shares 100%

Category of Shareholders	No. of Shares held at the beginning of the year					No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>									
(i) <b>Indian</b>									
a) Individual/ HUF	-	3	3		-	3	3		0
b) Central Govt	-								
c) State Govt (s)	-	63,059	6,30,59,000	99.99		63,059	6,30,59,000	99.99	0
d) Bodies Corp.	-								



e) Banks / FI									
f) Any other...	-				-				
<b>Sub-total (A) (1)</b>	-	63,062	6,30,62,000	100	-	63,062	6,30,62,000	100	0
<b>(2) Foreign</b>									
(a) NRIs Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/ FI									
(e) Any other....									
<b>Sub-Total (A) (2) :-</b>									
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	-	63,062	6,30,62,000	100	-	63,062	6,30,62,000	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-								
(b) Banks / FI	-								

c) Central Govt.									
d) State Govt.(s)	-								
e) Venture Capital Funds	-								
f) Insurance Companies	-								
g) FIs									
h) Foreign Venture Capital Funds	-								
i) Others (specify)	-								
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-								
i) Indian	-								
ii) Overseas	-								
b) Individuals	-								
u) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-								
ii) Individual shareholders holding	-								

nominal share capital in excess of Rs 1 lakh									
c) Others (specify)	-								
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	63,062	6,30,62,000	100	-	63,062	6,30,62,000	100	0

**(ii) Share holding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sir B. Sreedhar, IAS Director of Mines & Geology	1			1			Nil

2	Sri Ch. Venkaiah Chowdary Vice-Chairman & Managing Director	1			1		Nil
3	Sri A. Janardhana Babu Governor of Andhra Pradesh Represented by Asst. Secretary to Govt. Industries & Commerce Dept.,	63,059	99.999		63,059	99.999	Nil
3	Sri. T. G. Ganapathi Section Officer, Industries & Commerce Department	1			1		Nil

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

There is no change in the promoter's shareholding during the period under review

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		Nil.		
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year	Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>% of total shares of the company</b>
1	Governor of Andhra Pradesh	63,059	99.999	
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0		
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>		63,059	99.999
2				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			
3				
	At the beginning of the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /			



transfer / bonus/ sweat equity etc.)		
<b>At the end of the year (or on the date of separation, if separated during the year)</b>		

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment Nil.

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year	-	-	-	-
(i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of prerequisites u/s 17 (2) of Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	Sri Ch Venkatesh Choudary Vice Chairman & Managing Director	Rs.9,98,088.
2	Stock Option		
3	Share Equity		
4	Commission as % of profits Others: 500000		
5	Others, please specify		
6	Total AM		
7	Ceiling as per the Act		

### B. Remuneration to other Directors: NIL

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount
	Independent Directors		

1	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, Please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD - NIL**


Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				

- as % of profit	-	-	-	-
Others specify...	.	.	.	.
5 Others, please specify	.	.	.	.
Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:- NIL**


Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For **The Andhra Pradesh Mineral Development Corporation Limited**



(Raman Narayanan)  
(DIN: 10267130)

Director



(V.G. Venkata Reddy)  
(DIN: 08805525)

Vice Chairman & Managing Director (FAC)

Place: Vijayawada

Date: 22.08.2023

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

(CIN:U13209TG1961SGC000871)

**TO THE DIRECTORS' REPORT  
ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITIES (CSR) ACTIVITIES**

[Pursuant to clause (a) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

APMDC ("the Company") has developed its CSR policy, henceforth called "APMDC CSR Policy", in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India.

The objectives of the APMDC CSR Policy are to:

1. To define CSR Projects or Programmes which APMDC plans to undertake and which fall within the preview of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area.
3. Outline Governance mechanism for the CSR activities taken up by APMDC.
4. Mode of implementation of such CSR Projects and Programmes.
5. Monitoring and reporting mechanism of such CSR Projects and Programmes.

APMDC CSR policy is aimed at working along with the community through its focus on

Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swachh Bharat Kosh set up by the central government for the promotion of sanitation and making available safe drinking water;

- i. Promoting preventive health care:
  - a. Provision for operation and treatment for differently disable persons



- b. Enabling access to, or improving the delivery of, public health systems.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Enduring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund setup by the central government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veteran, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government;
- x. Rural development projects.
- xi. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.

**2. Average net profit of the company for last three years : Rs.199,65,87,148/-**

**3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):Rs.3,99,31,743**

**4. Details of CSR spent during the year.**

(a) Total amount spent on CSR for the financial year 2016-17:Rs.1,91,60,020/-

(b) Total amount to be spent on CSR for the financial year 2016-17:Rs.2,07,71,723/-.

(c) Manner in which the amount spent during the financial year 2016-17:

- I. Primary Health Centre Maintenance Expenses
- II. School Maintenance Expenses
- III. RO Plants Maintenance Expenses
- IV. Rural Expenses

**5. In case the Company has failed to spend the two percent:**

During the financial year ended March 31, 2017, the company was required to spent Rs.3,99,31,743/-towards CSR activities but the Company has spent Rs.1,91,60,020/ which is lesser than the required amount.

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(V.G.Venkata Reddy)  
(DIN:08805525)  
Vice Chairman & Managing Director (FAC)

**Place: Vijayawada**

**Date: 22.08.2023**



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,  
आन्ध्र प्रदेश, विजयवाडा - 520 002.  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr. No.AG (AU)/AP/TSC(PSUs)/AMG-IV/AA/APMDC/2022-23/289 Date: 04/01/2023

To

Vice Chairman & Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
#D.No.:294/ID, Tadigadapa to Enikepadu 100 Feet Road,  
Kanuru (v), enamaluru (M)  
Vijayawada, Andhra Pradesh-521137

Sir,

**Sub: Provisional Comments on the Financial statements (Standalone and Consolidated) of the Andhra Pradesh Mineral Development Corporation Limited for the year 2016-17.**

I am to forward herewith supplementary provisional comments on the accounts of your Company for the year 2016-17. It is requested that remarks separately, if any, of the Management may please be communicated within **THREE** days from the date of receipt of this letter so as to enable this office to finalise the comments of the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013 expeditiously. In the event of non-receipt of replies within the stipulated time, it would be presumed that (i) the Management has no remarks to offer and (ii) that the facts and figures are accepted by the Management.

Soft copies in word format are also to be sent at [psu.anp.au@icag.gov.in](mailto:psu.anp.au@icag.gov.in). Replies may be furnished in the following pro forma.

Provisional Comment (1)	Reply of the		Remarks (4)
	Company (2)	Statutory Auditors (3)	

In case data, if any, is required for further issue of supplementary provisional comments, the same would be called for.

Encl: as above

Yours faithfully,  
Bhaskar Kalluru  
Sr. Deputy Accountant General

Encl: Provisional Comments

Copy to: Sriramamurthy & Co Chartered Accountants, Flat No.3C# 47-9-39/17, Sai Sadan Apartments, Dwarakangal, Visakhapatnam-530016 along with a copy of Provisional Comments, with a request to expedite their remarks, if any, within three days from the date of receipt of this letter as otherwise the performance of the Statutory Auditors would be adjudged 'unsatisfactory'.

Sd/-  
Senior Audit Officer/TSC(PSUs)

Address: 2nd Floor, Station Central Bldg, M-4 Road, Cross Chowpatty, Visakhapatnam - 530 003  
Website: [www.appranp.org](http://www.appranp.org) [www.icag.gov.in](http://www.icag.gov.in)

Digitally Signed by Bhaskar

Kalluru

Date: 04-01-2023 23:08:11

Reason: Approved

**PROVISIONAL COMMENTS UNDER SECTION 143(6)(b) OF THE COMPANIES ACT 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED, VIJAYAWADA FOR THE YEAR ENDED 31 MARCH 2017**

**A. Comments on Financial Position:**

**Assets**

**Non-Current Assets**

**Capital Work-in-Progress (Note 2): ₹ 296.28 crore**

1.The above includes an amount of ₹ 1.57 crore representing the Bank Guarantee encashed by Government of India towards penalty for non-achievement of milestone. As the deduction is in the nature of penalty, the same should be charged to Statement of Profit and Loss. This had resulted in overstatement of Capital Work-in-Progress and understatement of Expenses by ₹ 1.57 crore. Consequently, Profit for the year is overstated by the same amount.

2.Gol had allotted Suliaryi Coal Block in Madhya Pradesh to the Company in July 2007. As per the terms of allotment, the exploration and coal mining shall be carried out by the Company or a separate Company to be created with its participation. Accordingly, the Company had entered into a Joint Venture (JV) agreement with Singareni Collieries Company Limited (SCCL) and formed a JV Company viz., APMDC-SCCL Suliaryi Coal Company Limited in July 2013 to carry out the mining of coal. For preparation of JV agreement, the Company had engaged M/s.Centre for Good Governance and paid an amount of ₹ 3.50 lakh. it had included the above expenditure in Capital Work-in-Progress. Consequent on Supreme Court Judgement in September 2014, the Gol had cancelled the allocation of Suliaryi Coal Block to the Company. Subsequently, upon enactment of Coal Mines (Special Provisions) Act, 2015, Gol had reallocated the Suliaryi Coal Block to the Company in September 2016 with the terms to carry out the coal mining on its own.

As the existence of the JV Company is no longer relevant in view of the cancellation of the previous allocation and reallocation to the company and the JV Company being indicated as "Inactive" in the ROC database, the amount paid for preparation of JV agreement should be charged to Statement of Profit and Loss. Thus, in view of non-booking of the amount to Statement of Profit and Loss, Capital Work-in-Progress is overstated and Expenses are understated by ₹ 3.50 lakh.

3. (a)The above includes an amount of ₹ 293.96 crore spent by the company on behalf of its joint venture on Suliaryi coal block prior to September 2016, when the coal mine was allotted to the Company. As the investment in the JV Company is fully eroded, the amount should

have been fully provided for (as per Para 5.4.4) of Ind AS `109) instead of disclosing the same as CWIP.

Failure to do so has resulted in overstatement of Capital Work-in-Progress and understatement of provisions by 293.96 crore with consequent overstatement of profit for the year by the same amount.

(b) A combined reading of Para 15 and 16 of Ind AS 106 and Para 2 of Ind AS 38, it is established that expenditure incurred on development of mining rights should be classified as Intangible Asset under Development. However, the Company had classified the balance ₹ 1.30 crore (i.e., 295.26 crore less ₹ 293.96 crore) as Capital Work-in-Progress instead of as Intangible Asset Under Development. This had resulted in understatement of Intangible Asset underdevelopment and overstatement of Capital Work-in-Progress by ₹ 1.30 crore.

4. (a) During the year, the Company had incurred expenditure for ongoing modifications (₹ 0.13 crore) of the existing ERP Software and ₹ 0.05 crores for renewal of license of Business Ready Enhancement Plan (BREP). As per Para 119 (g) under Disclosure requirements of Ind AS 38 and Para 8.7 of Guidance Note on Schedule III to Companies Act, 2013, the Intangible Assets under Development should be disclosed on the face of the Balance Sheet, separately.

However, Company had included the above in the Capital Work-in-progress instead of depicting separately. Thus, the misclassification resulting understatement of Intangible assets under development by ₹ 0.13 crore and overstatement of Capital work in progress by the same amount.

(b) Accounting of Business Ready Enhancement Plan (BREP) license renewal fees of ₹ 0.05 crore as Capital Work-in-Progress instead of charging the same to Statement of Profit & Loss statement as revenue expenditure resulted in overstatement of Capital Work-in-Progress and profit for the year by ₹ 0.05 crore.

#### **B. Comments on Profitability:**

##### **Expenses**

##### **Finance Cost**

##### **Interest on Staff loans**

5. Company is providing vehicle loans and other loans to staff. While sanctioning the loans, the Company is indicating in the sanction order the amount of monthly instalment of principal as well as the interest on monthly diminution. Further, as per the practice, the Company is



first recovering the principal in certain specified instalments and on completion of principal recovery. Company is recovering the total interest (as computed in the sanction order) in certain specified instalments and as such booking the interest income on receipt basis.

While the Company prepared its financial statements on Ind AS basis, it did not recognise interest receivable in line with Para 27 of Ind AS 1, which stipulated accrual concept. It was observed that the Company had not disclosed policy with regard to the manner of recognition of interest income on staff loans. In the absence of policy and non-availability of sufficient documents/information as to the interest accrued on the staff loans as on March 2017, the impact of the non-booking of interest income and consequent understatement of asset could not be ascertained.

### C. Comments on Disclosure:

6.The Company was allotted mining lands to the extent of 2556.86 hectares of mining land at Mangampet (Barytes), Chimakurthy (Granite), Dwaraka Tirumala (Ball Clay) etc., by the GoAP/GoI on lease basis for carrying out mining activity. It has been earning revenue from the sale of barytes and receiving consideration amount from the JV Companies in respect of black galaxy granite and ball clay. While no operations have been carried out in the other mining lands as on 31 March 2017. The Company has been paying lease rentals/dead rent and royalties as the case may be. However, the Company did not disclose in the Notes to Financial Statements with regard to the extent of mining lands held under lease.

7.Consequent on bifurcation of Andhra Pradesh with effect from 2-6-2014, the erstwhile APMDC was to be demerged as per AP Reorganisation Act, 2014. As per the demerger Plan, as on date of demerger, the Company held funds in Current Accounts, FDs, Sweep Accounts to the extent of ₹ 953.53 crore in various Banks. Out of this, the share of AP Unit was ₹ 556.10 crore. Government of Telangana (GoT) instructed (24-10-2014) all the Banks to freeze all the funds that are in the name of the Company and not to allow any withdrawal or transfer of the funds to any other account unless specific instructions are issued by the GoT. Accordingly, the Banks had frozen all the funds since then. The Company had however, been renewing the FDs upon maturity and created fresh FDs together with the interest earned on the FDs. As on 31-3-2017, the share of the Company in the total FDs, Sweep Account, Current Account that were frozen was ₹ 670.70 crore (FDs: ₹ 663.34 crore; sweep accounts: ₹ 6.67 crore and current accounts: ₹ 0.68 crore).

While the Company had indicated that ₹ 0.68 crore held in current account was frozen, it had neither indicated nor disclosed the facts in the Notes to Financial Statements that FDs amounting to ₹ 663.34 crore and ₹ 6.67 crore held in sweep accounts were frozen on account of the instructions of Telangana Government to the Banks

8.In Compliance to previous year provisional comment no. 6, the Company had recognised revenue of ₹ 7.62 crore towards risk and cost amount recoverable from a contract subsequent to termination of contract for non-performance. However, as the matter is sub judice, the fact that the realisability of the same is subject to court's decision in it, should have been disclosed appropriately in notes to accounts.

#### **D. Comments on Independent Auditor's Report**

9.As on the reporting date, an amount of ₹ 100 crore was remitted (30-03-2017) to GoAP which was subsequently returned to the Company on 30-06-2017. In this context, the qualification no.(vi) that the Company had advanced an amount of ₹ 100 crore to M/s APSFNL is incorrect as the was given in next year i.e , 2017-18.

10.The Statutory Auditors in Point i(c) of Annexure-A to their Report stated that in respect of immovable property, title deeds are not available in respect of 1.61 Acres at Mangampet (Carrying amount ₹ 23,43,985) and 2.07 Acres at Dwaraka tirumala (Carrying amount ₹ 1,877). As the above lands were alienated by the Government to the Company, the above statement should have referred to the alienation orders, and not title deeds

**Bhaskar Kalluru**  
**Senior Deputy Accountant General**

**PROVISIONAL COMMENTS UNDER SECTION 143(6)(b) OF THE COMPANIES ACT 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED, VIJAYAWADA FOR THE YEAR ENDED 31 MARCH 2017**

**A. Comments on Financial Position:**

**Assets**

**Non-Current Assets**

**Capital Work-in-Progress (Note 2): Rs.296.28 crore**

1. The above includes an amount of ₹ 1.57 crore representing the Bank Guarantee encashed by Government of India towards penalty for non-achievement of milestone. As the deduction is in the nature of penalty, the same should be charged to Statement of Profit and Loss

This had resulted in overstatement of Capital Work-in-Progress and understatement of Expenses by ₹ 1.57 crore. Consequently, Profit for the year is overstated by the same amount

2. GoI had allotted Suliari Coal Block in Madhya Pradesh to the Company in July 2007. As per the terms of allotment, the exploration and coal mining shall be carried out by the Company or a separate Company to be created with its participation. Accordingly, the Company had entered into a Joint Venture (JV) agreement with Singareni Collieries Company Limited (SCCL) and formed a JV Company viz., APMDC-SCCL Suliari Coal Company Limited in July 2013 to carry out the mining of coal. For preparation of JV agreement, the Company had engaged M/s.Centre for Good Governance and paid an amount of ₹ 3.50 lakh, it had included the above expenditure in Capital Work-in-Progress. Consequent on Supreme Court Judgement in September 2014, the GoI had cancelled the allocation of Suliari Coal Block to the Company. Subsequently, upon enactment of Coal Mines (Special Provisions) Act, 2015, GoI had reallocated the Suliari Coal Block to the Company in September 2016 with the terms to carry out the coal mining on its own.

As the existence of the JV Company is no longer relevant in view of the cancellation of the previous allocation and reallocation to the Company and the JV Company being indicated as "Inactive" in the ROC database, the amount paid for preparation of JV agreement should be charged to Statement of Profit and Loss. Thus, in view of non-booking of the amount to Statement of Profit and Loss, Capital Work-in-Progress is overstated and Expenses are understated by ₹ 3.50 lakh.

3. (a) The above includes an amount of ₹ 293.96 crore spent by the company on behalf of its joint venture on Suliari coal block prior to September 2016, when the coal mine was allotted to the Company. As the investment in the JV Company is fully eroded, the amount should have been fully provided for (as per Para 5.4.4) of Ind AS '109) instead of disclosing the same as CWIP.

Failure to do so has resulted in overstatement of Capital Work-in-Progress and understatement of provisions by 293.96 crore with consequent overstatement of profit for the year by the same amount.

(h) However, the Company had classified the balance ₹ 1.30 crore (i.e., 295.26 crore less ₹ 293.96 crore) as Capital Work-in-Progress instead of as Intangible Asset Under Development. This had resulted in understatement of Intangible Asset underdevelopment and overstatement of Capital Work-in-Progress by ₹ 1.30 crore.

4.(a) During the year, the Company had incurred expenditure for ongoing modifications (₹ 0.13 crore) of the existing ERP Software and ₹ 0.05 crores for renewal of license of Business Ready Enhancement Plan (BREP). As per Para 119 (g) under Disclosure requirements of Ind AS 38 and Para 8.7 of Guidance Note on Schedule III to Companies Act, 2013, the Intangible Assets under Development should be disclosed on the face of the Balance Sheet, separately.

However, Company had included the above in the Capital Work-in-progress instead of depicting separately. Thus, the misclassification resulting understatement of Intangible assets under development by ₹ 0.13 crore and overstatement of Capital work in progress by the same amount.

(b) Accounting of Business Ready Enhancement Plan (BREP) license renewal fees of ₹ 0.05 crore as Capital Work-in-Progress instead of charging the same to Statement of Profit & Loss statement as revenue expenditure resulted in overstatement of Capital Work-in-Progress and profit for the year by ₹ 0.05 crore.

## **B. Comments on Profitability**

### **Expenses**

#### **Finance Cost**

##### **Interest on Staff loans**

5. Company is providing vehicle loans and other loans to staff. While sanctioning the loans, the Company is indicating in the sanction order the amount of monthly instalment of principal as well as the interest on monthly diminution. Further, as per the practice, the Company is first recovering the principal in certain specified instalments and on completion of principal recovery, Company is recovering the total interest (as computed in the sanction order) in certain specified instalments and as such booking the interest income on receipt basis.

While the Company prepared its financial statements on Ind AS basis, it did not recognise interest receivable in line with Para 27 of Ind AS 1, which stipulated accrual concept. It was observed that the Company had not disclosed policy with regard to the manner of recognition of interest income on staff loans. In the absence of policy and non-availability of sufficient documents/information as to the interest accrued on the staff loans as on March 2017, the impact of the non-booking of interest income and consequent understatement of asset could not be ascertained.

## **C. Comments on Disclosure:**

6. The Company was allotted mining lands to the extent of 2556.86 hectares of mining land at Mangampet (Barytes), Chimakurthy (Granite), Dwaraka tirumala (Ball Clay) etc., by the

GoAP/GoI on lease basis for carrying out mining activity. The Company has been earning revenue from the sale of barytes and receiving consideration amount from the JV Companies in respect of black galaxy granite and ball clay. While no operations have been carried out in the other mining lands as on 31 March 2017. The Company has been paying lease rentals/dead rent and royalties as the case may be. However, the Company did not disclose in the Notes to Financial Statements with regard to the extent of mining lands held under lease.

7. Consequent on bifurcation of Andhra Pradesh with effect from 2-6-2014, the erstwhile APMDCL was to be demerged as per AP Reorganisation Act, 2014. As per the demerger Plan, as on date of demerger, the Company held funds in Current Accounts, FDs, Sweep Accounts to the extent of ₹ 953.53 crore in various Banks. Out of this, the share of AP Unit was ₹ 556.10 crore. Government of Telangana (GoT) instructed (24-10-2014) all the Banks to freeze all the funds that are in the name of the Company and not to allow any withdrawal or transfer of the funds to any other account unless specific instructions are issued by the GoT. Accordingly, the Banks had frozen all the funds since then. The Company had however, been renewing the FDs upon maturity and created fresh FDs together with the interest earned on the FDs. As on 31-3-2017, the share of the Company in the total FDs, Sweep Account, Current Account that were frozen was ₹ 670.70 crore (FDs: ₹ 663.34 crore; sweep accounts: ₹ 6.67 crore and current accounts: ₹ 0.68 crore).

While the Company had indicated that ₹ 0.68 crore held in current account was frozen, it had neither indicated nor disclosed the facts in the Notes to Financial Statements that FDs amounting to ₹ 663.34 crore and ₹ 6.67 crore held in sweep accounts were frozen on account of the instructions of Telangana Government to the Banks.

8. In Compliance to previous year provisional comment no. 5, the Company had recognised revenue of ₹ 7.62 crore towards risk and cost amount recoverable from a contract subsequent to termination of contract for non-performance. However, as the matter is sub judice, the fact that the realisability of the same is subject to court's decision in it, should have been disclosed appropriately in notes to accounts.

#### **D. Comments on Independent Auditors' Report**

9. In the Independent Auditors' Report the Statutory Auditors have made a qualification (No.1) on the Consolidated Financial Statements stating that the transactions of 19 Subsidiaries/JVs and their impact were not incorporated by the Company in their Consolidated Ind AS Financial Statements. However, the impact of the same or inability to assess the impact along with reasons was not mentioned.

Hence, the Auditors' qualification is deficient to the above extent.

10. As on the reporting date, an amount of ₹ 100 crore was remitted (30-03-2017) to GoAP which was subsequently returned to the Company on 30-06-2017. In this context, the



qualification no.(vii) that the Company had advanced an amount of ₹ 100 crore to M/s APSFNL is incorrect as the was given in next year i.e., 2017-18.

11. The Statutory Auditors in reply to the point no. 1 of Directions in Annexure-B to their Report stated that in respect of immovable property, title deeds are not available in respect of 1.61 Acres at Mangampet (Carrying amount ₹ 23,43,985) and 2.07 Acres at Dwaraka tirumala (Carrying amount ₹ 1,877). As the above lands were alienated by the Government to the Company, the above statement should have referred to the alienation orders, and not title deeds.

#### **E. Other Comments:**

12.The Company had prepared its consolidated financial statements by consolidating the financial statements of 2 JVs viz., Pallava Red Granite Private Limited and Andhra Pradesh Granite (Midwest) Private Limited for the year 2016-17.

Rule 4(d) of Companies (Indian Accounting Standards) Rules, 2015, *inter alia*, w.e.f. 1 April 2016, every holding, subsidiary, joint venture or associate companies of a company which is required to prepare financial statements as per Indian Accounting Standards, shall also prepare its accounts on the basis of Indian Accounting Standards.

However, it was observed that the above said 2 JVs had not prepared their financial statements in accordance with Ind AS and instead prepared based on Accounting Standards as per Companies (Accounting Standard) Rules, 2006.

Consolidation of financial statement based on Accounting Standard with financial statement based on Ind AS is against the provisions and the impact hereof, could not be ascertained by the audit, in the absence of necessary information.

Further, the Statutory Auditors had not adhered to the guidelines stipulated in Para 12 of SA 600 for using the work of other auditor which is evident from the fact that the above discrepancy was not qualified.

**Bhaskar Kalluru**

**Sr. Deputy Accountant General**

**INDEPENDENT AUDITORS' REPORT****To**

The Members of

Andhra Mineral Development Corporation Limited

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements")

**Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

#### Basis for Qualified Opinion

We draw attention to the following:

- i) The company has passed entries for bifurcation in the past years except w.r.t. share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for verification. Consequent to bifurcation, the amounts transferred by the Company to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by M/s TSMDC. Further, The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to M/s TSMDC based on estimates for which no supporting document was produced. Hence, we are not able to comment on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment Account	17	Other Financial liability(non-current)	32,38,69,314	Cr
2	Interest on the Portion of FDRs,BGs, and Sweep- SHI allocated to TSMDC	17	Other Financial liability(non-current)	61,21,14,691	Cr
3	APMDC - TSMDC - suliyani coal block	17	Other Financial liability(non-current)	1,25,07,58,691	Cr
4	APMDC - TSMDC - Advances	7	Other Non-current Assets	21,59,87,063	Dr
5	TSMDC - Advance ( Tr of Lia S. Assets)	7	Other Non-current Assets	7,70,01,656	Dr
6	Demerger Adjustment Account of Fixed Deposits and Fixed Deposits Kept for BGs	7	Other Non-current Assets	59,28,03,337	Dr
7	Fixed Deposits	5	Other Financial Assets ( Non-Current)	5,65,41,00,220	Dr
8	Fixed Deposits Kept for Bank Guarantees	5	Other Financial Assets ( Non-Current)	41,89,21,427	Dr
9	Fixed Deposits kept for Bg without Lien	5	Other Financial Assets (Non-Current)	91,79,56,185	Dr



10	Sweep Account (SBI, Kharatabad)	3	Other Financial Assets (Non-Current)	6,67,42,244	Dr
11	Interest Accrued on Fixed Deposits	12	Other Financial Assets (Current)	17,80,40,591	Dr
12	Interest Accrued on Fixed Deposits kept for Bank Guarantee	12	Other Financial Assets (Current)	42,99,356	Dr
13	Interest Accrued on FDR BG Without Lien	12	Other Financial Assets (Current)	7,78,48,063	Dr
14	Interest Accrued on Sweep Account SBI	12	Other Financial Assets (Current)	74,10,829	Dr
15	Interest on Fixed Deposits	26	Other Income	41,40,41,656	Cr
16	Interest on Fixed Deposits Kept for BG	26	Other Income	1,12,70,470	Cr
17	Interest on Fixed Deposits BGs without lien	26	Other Income	5,34,60,553	Cr
18	Interest Receipts Sweep a/c (Kharatabad)	26	Other Income	43,51,442	Cr

ii) The company is required to disclose contingent liabilities as per IND AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2017 by the company could not be audited by us as the company has not provided the related legal litigation files for our understanding and verification.

iii) The following Ledger balances as on 31<sup>st</sup> March 2017 are subject to receipt of Utilisation certificate and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at 31 <sup>st</sup> March 2017
Advance E.F. Panchayat Raj Rajampet	EE Panchayat Raj, Rajampet	98,00,000
Deposit with rehabilitation	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector	District Collector, Cuddapah	28,52,37,861
Deposit with Land Acquisition	Regional District Officer, Cuddapah	5,97,085
Deposit with Sub-Treasury	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificate and confirmation from respective party/ statutory authority, we are unable to ascertain the whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Ind AS financial statements.

iv) as respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year.



Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the INDAS financial statements.

- v) Stores and Spares Item wise ledgers amounting to Rs. 72,13,480 have not been provided for verification. Further, physical verification reports have also not been furnished in respect of store items. Accordingly, the existence and usability could not be ascertained. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis. The resultant impact on the INDAS Financial Statements could not be ascertained.
- vi) During the year, the Company has advanced a interest free loan of Rs. 100 Crores to M/s Andhra Pradesh state Fibrenet Limited. In the absence of the details of the terms, security and other relevant documentation, we are unable to comment on whether the loan is secured or not and whether or not the same are made at terms which are prejudicial to the interest of the company or its members.
- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(i)(c) of the Agreement with M/s Pallava Red dated 3rd March 2008 and M/s Midwest Granite dated 4th June 2007 has not been ascertained by the Company. The agreement is silent on due date in few scenarios due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the INDAS Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable and Deposit for court Fees payable amounting to Rs. 28.40 Crores. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with contractors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone INDAS financial statements.
- ix) The Company has balances in Sales Tax Payable, AFVAT Payable, Deposit with Sales Tax Department, and Deposit with Service Tax Department amounting to 1.22 Crores (Credit), 1.32 Crores (Credit), Rs. 5.74 Crores (Debit) and Rs. 1.16 Crores (Debit) respectively. The documents pertaining to the Tax cases entity are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone INDAS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- x) The Company has balances in Tax Assets amounting to Rs. 72.60 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. The Revised Return based on the Audited Financials are yet to be filed since Financial Year 2014-15. Any effect on account of revising previous year as well as current year returns has not been provided for in the books. Further the company has not disclosed the relationship between tax expense and accounting profit as prescribed under INDAS 12.
- xii) The company has Trade Receivables balance amounting to Rs. 16.49 Crores. Confirmations from Trade Receivables are not available. Considering non reconciliation of General Ledger balance with Sub Ledger balances and non-confirmation from parties, we are not in a position to ascertain and comment





on the correctness of the outstanding balances and the resultant impact on the standalone IndAS financial statements.

- x) We were informed that the balance in the following ledgers are pending final settlement on account of delayed court proceedings: -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sr. R.V Ramana	1,13,403	Dr

The upto date status of the court proceedings are not available on record. Further the balance in the respective ledger balances are subject to confirmation and reconciliation on account of the dispute between the parties and APMDC. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone IndAS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following.

- a) Note No 14 of the standalone Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.

Our opinion is not modified in respect of the above matter.

#### Other Matters

The comparative financial information of the Company for the year ended 31<sup>st</sup> March 2016 and the opening balance sheet as at 1<sup>st</sup> April 2015 (i.e. date of transition) included in these standalone Ind AS financial statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by predecessor auditors for the year ended 31<sup>st</sup> March 2016 whose report dated 5<sup>th</sup> June 2021 expressed disclaimer of opinion, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.



#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Qualified Opinion paragraphs above and our separate report on the Internal Controls over Financial Reporting.
2. As required under Section 143(1) of the Act, we report that in respect of loan given to M/s Andhra Pradesh State Fibrenet Limited amounting to Rs. 100 Crores in the absence of the terms and conditions, we are unable to comment whether the said loan is duly secured and whether or not the terms and conditions are prejudicial to the interest of the company and its members.
3. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
  - e) As per Notification F. No. 1/2/2014-CLV dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure II'.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 2.35 to the Standalone Ind AS financial statements.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has not complied with the terms of Section 124 of the Companies Act, 2013 w.r.t. Unpaid Dividends. Further in terms of Section 123(6) of the said Act, the Company cannot pay dividend since the Company has violated provisions of Section 73 of the Companies Act, 2013.
  - v. The Company has not provided requisite disclosures in the Standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.
4. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure-C.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

UDIN: 22227878AMYRCH7510

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*[Signature]*  
CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

### Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended 31 March 2017)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company
  - c) In respect of immovable properties, title deeds are not available in respect of 1.51 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Uwarakatirumala (Carrying Amount: 1877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record
- (ii) Physical verification of Inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we cannot comment upon the same. However, the Management has physically verified the inventory other than stores and spares in FY 2017-18 and reconciled the same with 31<sup>st</sup> March 2017 after making adjustments for stock movements after 31<sup>st</sup> March 2017. Discrepancies noted were reduced from the Closing Stock as on 31<sup>st</sup> March 2017.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Order.
- (iv) As per Notification F. No. 1/2/2014-CL. V dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause (iv) is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub section [1] of section 148 of the Act for the company in our opinion. However, no cost records have been



provided for our verification due to which we are unable to comment on whether the same have been made and maintained.

- (vii) (3) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities.
- (4) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,617 3,36,253 5,08,165
5	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
6	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale and Consideration Penalty interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
7	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures as at Balance Sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.





- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per Notification No. 1/2/2014-CL.V dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*[Signature]*

CA. D. TEJA SAGAR  
Partner

Memb No: 227878

Place: Vijayawada

Date: 14<sup>th</sup> July 2022

UDIN: 22227878AMYRCH7510

## Annexure- B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2017)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.



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

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

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

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

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The company is currently following manual system of accounting and did not have an effective system for timely accounting of entries.
- e) Non implementation of IT system for the nature and volume of activities of the Company.



A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at 31<sup>st</sup> March 2022 and these material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a Qualified opinion on the financial statements of the Company.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

UDIN: 22227878AMYRCH7SIO

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*P.T. Sagar*  
CA. D. TEJA SAGAR  
Partner  
Memo No: 227878

**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc? If yes, the reasons therefore and the amount involved	There are no cases of waiver/ write off of debts/loans/interest.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2016-17.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no





	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease);	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provision of Ind AS
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately.	The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.

6	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory other than stores and spares in FY 2017-18 and reconciled the same with 31st March 2017 after making adjustments for stock movements after 31st March 2017. Discrepancies noted were reduced from the Closing Stock as on 31st March 2017. The details pertaining to deterioration/obsolescence in the quality have not been shared and consequently, we are unable to comment upon the same.
9	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10	Cases of wrong accounting of interest earned on account of non utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.



11.	Whether the Lifeline plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable related disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/MS-KDP/2013 dt 25/05/2016.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Standalone Ind AS financial statements.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*[Signature]*  
CA. D. TEJA SAGAR

Partner

Memb No: 227878

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

WSN: 22227878 AMYRCH7510

**Andhra Pradesh Mineral Development Corporation Limited**  
**Balance Sheet**

(Rs. in '000's)

Particulars	Note	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,94,248	2,21,225	1,28,403
Capital work-in-progress	2	29,62,799	-	61,459
Other intangible assets	2	194	421	833
<b>Financial assets</b>				
Investments	3	22,027	22,037	22,022
Loans	4	2,998	20,559	19,037
Other financial assets	5	70,64,845	64,05,618	11,37,262
Deferred tax assets (Net)	6	69,429	7,95,134	3,75,016
Other non-current assets	7	15,31,376	26,86,375	19,23,172
Non-current tax assets (Net)	7.1	7,26,074	7,26,053	3,98,498
<b>Current assets</b>				
Inventories	8	14,52,053	6,11,518	6,65,414
<b>Financial assets</b>				
Trade receivables	9	3,26,167	1,39,610	1,23,806
Cash and cash equivalents	10.1	2,34,508	1,52,923	1,09,043
Other bank balances	10.2	2,93,148	11,57,690	59,89,369
Loans	11	10,01,241	1,056	-
Other financial assets	12	2,68,631	2,34,118	3,30,627
Other current assets	13	9,82,345	15,66,071	79,032
<b>TOTAL ASSETS</b>		<b>1,73,32,084</b>	<b>1,47,40,408</b>	<b>1,13,63,191</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	63,062	63,062	63,062
Other equity	15	1,35,78,730	1,04,06,898	74,17,161
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	16	-	4,776	6,460
Other financial liabilities	17	24,47,061	10,42,555	8,65,459
Provisions	18	46,784	22,29,184	10,95,558
Other non-current liabilities	19	77,570	64,528	4,35,810
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		-	-	1,50,000
Trade payables	20	2,59,181	83,142	22,707
Other financial liabilities	21	7,93,126	6,14,346	3,29,697
Other current liabilities	22	15,087	1,95,424	9,64,741
Provisions	23	24,023	36,493	12,536
Current tax liabilities	24	27,459	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,73,32,084</b>	<b>1,47,40,408</b>	<b>1,13,63,191</b>

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 003032S  
*J.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



Place : Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN: 22227878AMVRCR7510

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A



**Andhra Pradesh Mineral Development Corporation Limited**  
**Statement of Profit and Loss Account for the year ended 31-03-2017**

(Rs. in '000's)

Particulars	Note	Year ended 31-03-2017	Year ended 31-03-2016
<b>Income</b>			
Revenue from operations	25	56,57,969	62,90,163
Other income	26	7,08,494	7,28,105
<b>Total (I)</b>		<b>63,66,462</b>	<b>70,18,269</b>
<b>Expenses</b>			
Cost of materials consumed	27	33,333	25,098
Change in inventories of finished goods	28	(8,42,145)	53,313
Employee benefits expense	29	2,54,791	2,07,257
Finance costs	30	76,447	8,732
Depreciation and amortization expense	31	44,432	37,527
Power and fuel		71,997	75,885
Excavation & transport charges	32	31,73,342	18,59,864
Other expenses	33	5,97,209	5,99,719
<b>Total (II)</b>		<b>34,09,406</b>	<b>28,67,396</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>29,57,057</b>	<b>41,50,873</b>
<b>Add : Exceptional items (Net)</b>	34	21,85,664	-
<b>Profit/(loss) before tax</b>		<b>51,42,721</b>	<b>41,50,873</b>
<b>Less : Tax expense/(benefit)</b>			
Earlier years		4,976	20,215
Current tax		12,37,965	15,47,408
Deferred tax		7,24,236	(4,11,827)
<b>Total tax expense/ (benefit)</b>		<b>19,67,177</b>	<b>11,55,795</b>
<b>Profit/(loss) from continuing operations</b>		<b>31,75,543</b>	<b>29,95,078</b>
Profit/(loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the year (A)</b>		<b>31,75,543</b>	<b>29,95,078</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(2,242)	(39,916)
Income tax on above items		(1,468)	8,291
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(3,710)</b>	<b>(31,625)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>31,71,833</b>	<b>29,63,453</b>
<b>Earnings per equity share (in.Rs)</b>			
<b>[Nominal value of share Rs.1000 /-]</b>		<b>50,355.89</b>	<b>47,494.17</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

*D.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



Place : Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN: 22227878AMYRCH7510

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A





**Statement of Changes in equity for the year ended 31-03-2017**

**Andhra Pradesh Mineral Development Corporation Limited**

(Rs. in '000's)

Particulars	No of Shares	Amount
Balance as at 1st April, 2015	63,062	63,062
Changes in equity share capital during 2015-16	-	-
Balance as at 31st March, 2016	63,062	63,062
Changes in equity share capital during 2016-17	-	-
Balance as at 31st March, 2017	63,062	63,062

**B. Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income				Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actual Gains/Losses reserve	Deferred tax on OCI Items	
Balance at the beginning of reporting period - 01-04-2015	22,000	7,084	14,55,607	59,37,535	-	-	(5,076)	74,17,161
Profit for the period for the year	-	-	-	29,95,077	-	-	8,291	29,95,077
Other comprehensive income for the year	-	-	-	29,95,077	(5,657)	(34,259)	8,291	(31,625)
Total comprehensive income for the year	-	-	-	29,95,077	(5,657)	(34,259)	8,291	29,63,462
Transfer to reserve for bad and doubtful debts	-	906	-	(906)	-	-	-	-
Transfer to general reserve	-	-	2,23,069	(2,23,069)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(26,510)	-	39,601	(9,291)	-
Portion of share capital allotted to Telangana region	-	-	26,284	-	-	-	-	26,284
Balance at the end of reporting period - 31-03-2016	22,000	8,000	17,04,961	86,02,127	(15,657)	542	(5,076)	1,04,06,896
Profit for the year	-	-	-	31,75,543	-	-	-	31,75,543
Other comprehensive income for the year	-	-	-	31,75,543	-	(2,242)	(1,468)	(2,710)
Total comprehensive income for the year	-	-	-	31,75,543	-	(2,242)	(1,468)	31,71,833
Transfer to reserve for bad and doubtful debts	-	10,690	-	(10,690)	-	-	-	-
Transfer to general reserve	-	-	-	(6,420)	-	4,951	1,468	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
Balance at the end of reporting period - 31-03-2017	22,000	18,689	17,04,961	1,16,40,561	(15,657)	3,251	(5,076)	1,35,78,729



**Andhra Pradesh Mineral Development Corporation Limited**  
**Cash flow statement for the year ended 31-03-2017**

(Rs. in '000's)

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Profit before tax from continuing operations	51,42,721	41,50,873
<b>Adjustments for</b>		
Interest expense	76,447	8,732
Interest income	(6,36,004)	(6,54,049)
Dividend income	(4,400)	(1,320)
Depreciation/amortization on continuing operations	44,432	37,527
Loans & advances written off	-	89
Bad & doubtful debts	41,922	20,137
Assets written off	45	2
Loss/(profit) on sale of fixed assets		(9)
Provision for diminution in value of investments	10	(5,672)
Remeasurement of defined benefit plans	(2,242)	(34,259)
<b>Operating profit before working capital changes</b>	<b>46,62,931</b>	<b>35,22,012</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	1,71,263	58,750
Increase/(decrease) in provisions	(21,70,675)	11,54,546
Increase/(decrease) in other financial liabilities	15,80,009	4,64,910
Increase/(decrease) in other liabilities	(1,67,296)	(11,14,315)
Decrease/(increase) in trade receivables	(2,28,479)	(35,942)
Decrease/(increase) in inventories	(8,40,535)	53,896
Decrease/(increase) in other assets	2,89,491	(24,03,890)
Decrease/(increase) in other financial assets	(6,54,772)	(51,56,623)
Decrease/(increase) in other bank balances (current)	8,64,542	48,31,679
Decrease/(increase) in loans	(9,82,623)	(2,667)
<b>Cash generated from operations</b>	<b>25,23,856</b>	<b>13,72,357</b>
Direct taxes paid (net of refunds)	12,42,962	18,95,177
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,80,894</b>	<b>(5,22,820)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and Capital advances	(17,30,839)	85,167
Proceeds from sale of fixed assets	-	9
Interest received	5,97,036	6,39,064
Dividends received from subsidiaries & joint ventures	4,400	1,320
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(11,29,403)</b>	<b>7,25,560</b>
Proceeds from borrowings	-	(1,50,000)
Interest paid	(69,906)	(8,860)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(69,906)</b>	<b>(1,58,860)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>81,585</b>	<b>43,880</b>
Cash and cash equivalents at the beginning of the year	1,52,923	1,09,043
<b>Cash and cash equivalents at the end of the year</b>	<b>2,34,508</b>	<b>1,52,923</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	89	143
With banks accounts	2,34,420	1,52,780
<b>Total cash and cash equivalents (Note 10)</b>	<b>2,34,508</b>	<b>1,52,923</b>

The accompanying notes are an integral part of these standalone financial statements

**As per our report of even date**

**For Sriramamurthy & Co**

Chartered Accountants  
Firm Regn No: 003032S

*P.T. Sagar*

**Dondeti Teja Sagar**

Partner  
Mem No.227878

**Place: Vijayawada**  
**Date : 14<sup>th</sup> July, 2022**

UDIN: 22227878AMYRCH7SIO



**For and on behalf of the Board of Directors**

*V.G. Venkata Reddy* *D. Ramadevi*  
**V.G. Venkata Reddy** **D. Ramadevi**  
 VC & MD Director  
 DIN: 08805525 DIN: 08076094

**A. Nageswara Reddy**  
General Manager - F&A



## **APMDC LIMITED**

### **Notes forming part of the Financial Statements**

#### **1. Corporate Information**

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

#### **1.1 Significant Accounting Policies**

##### **a. Statement of Compliance**

For all the periods up to and including the year ended March 31, 2015 the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (Indian GAAP) and complied with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements of Companies Act, 2013.

Pursuant to the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (hereinafter referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and relevant provisions of the Companies Act, 2013 with effect from April 1, 2016. The standalone financial statements for the year ended 31<sup>st</sup> March 2017 are the first financial statements of the Company prepared in accordance with Ind AS. The transition to Ind AS was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. Previous periods have been restated to Ind AS.

##### **b. Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

##### **c. Functional and presentation currency**

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.



#### **d. Use of estimates and judgement**

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Information about critical estimates, judgements or assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.



Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of excise duty but net of other taxes collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect and service taxes.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.





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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.



#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

#### **j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.



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

### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.



#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.





## **p. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, It is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.



### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The company has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

### **r. Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.



**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.



In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.



## **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

## **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

## **iv. De-recognition of financial assets**

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

## **Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

## **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.





A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of Income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.



Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

#### **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment for the year ended 31.03.2016**

**Note -2**

**{Rs. In '000's}**

<b>Particulars</b>	<b>Deemed Cost as at 01.04.2015</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2016</b>	<b>Depreciation For the Year</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Net carrying amount as at 31.03.2016</b>
<b>Free hold land</b>	30,120	52,335	-	82,455	-	-	82,455
<b>Buildings</b>	24,290	2,351	-	26,641	3,833	3,833	22,809
<b>Plant and Machinery</b>	28,853	65,566	2	94,417	11,532	11,532	82,885
<b>Furniture &amp; Fixtures</b>	1,786	768	-	2,553	735	735	1,818
<b>Vehicles</b>	5,398	758	-	6,156	2,471	2,471	3,685
<b>Office Equipment</b>	2,339	1,488	-	3,827	1,863	1,863	1,964
<b>Mining and Equipment</b>	28,494	737	-	29,232	10,089	10,089	19,142
<b>Data Processing Equipment (Co Library)</b>	1,906	5,789	-	7,695	3,143	3,143	4,552
<b>Tent &amp; Huts</b>	10	27	-	37	22	22	15
<b>Lease hold improvements</b>	3,230	-	-	3,230	3,230	3,230	-
<b>Mining property</b>	1,976	-	-	1,976	77	77	1,900
<b>Total</b>	<b>1,28,403</b>	<b>1,29,819</b>	<b>2</b>	<b>2,58,219</b>	<b>36,994</b>	<b>36,994</b>	<b>2,21,225</b>
<b>Capital Work In progress</b>	<b>61,459</b>	<b>-</b>	<b>61,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>							
<b>Particulars</b>	<b>Deemed Cost as at 01.04.2015</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2016</b>	<b>Depreciation For the Year</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Net carrying amount as at 31.03.2016</b>
<b>Computer Software</b>	833	121	-	954	533	533	421
<b>Total</b>	<b>833</b>	<b>121</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>533</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment for the year ended 31-03-2017

(Rs. in '000's)

Particulars	Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	Accumulated Depreciation as at 31.03.2016	Depreciation for the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2017	Net carrying amount as at 31.03.2017	Net carrying amount as at 31.03.2016
Free hold land	62,455	1,45,492	-	2,27,947	-	-	-	2,27,947	2,27,947	62,455
Buildings	26,641	4,434	33	31,042	3,833	3,363	11	7,184	23,857	22,809
Plant and machinery	94,417	17,483	3	1,11,897	11,532	16,207	-	29,739	82,157	82,805
Furniture & fixtures	2,553	753	30	4,276	735	703	10	1,426	1,850	1,818
Vehicles	6,156	2,985	-	9,141	2,471	1,962	-	4,432	4,718	3,685
Office equipment	3,827	2,308	11	6,122	1,863	1,573	9	3,426	2,697	1,964
Printing and equipment	29,232	35,805	-	66,036	10,089	17,763	-	22,852	43,184	39,247
Data processing equipment	7,695	4,117	-	11,812	3,143	4,375	-	7,518	4,294	4,592
Test & tools	37	2,897	-	2,934	22	1,195	-	1,216	1,718	15
Lease hold improvements	3,710	-	-	3,230	3,730	-	-	3,230	1,834	1,900
Mining property	1,976	-	-	1,976	77	66	-	142	3,94,248	2,23,225
<b>Total</b>	<b>2,58,219</b>	<b>2,17,273</b>	<b>78</b>	<b>4,75,414</b>	<b>36,994</b>	<b>44,206</b>	<b>33</b>	<b>81,168</b>	<b>29,62,798</b>	<b>-</b>
<b>Capital Work in progress</b>	<b>-</b>	<b>29,62,798</b>	<b>-</b>	<b>29,62,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Particulars</b>	<b>Cost as at 01.04.2016</b>	<b>Additions</b>	<b>Disposals/ adjustments</b>	<b>Cost as at 31.03.2017</b>	<b>Accumulated Depreciation as at 31.03.2016</b>	<b>Depreciation for the Year</b>	<b>Disposal / Adjustments</b>	<b>Accumulated Depreciation as at 31.03.2017</b>	<b>Net carrying amount as at 31.03.2017</b>	<b>Net carrying amount as at 31.03.2016</b>
Computer software	954	-	-	954	533	226	-	760	194	421
<b>Total</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>226</b>	<b>-</b>	<b>760</b>	<b>194</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to financial statements for the year ended 31-03-2017**

(Rs. in '000's)

3

Non-current Investments	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Unquoted equity Instruments - Investments measured at cost</b>			
<b>Investment in subsidiary companies</b>			
i. M/s AWPJOC - SCCL subsidiary coal company Ltd 5,100 Shares allotted of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	51 (51)	51 (51)	51 (51)
ii. M/s Ruagach coal company Ltd 3,300 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	5,937 (5,957)	5,957 (5,957)	300 (300)
iii. M/s.Danodhara Minerals (P) Ltd. 18,921 equity Shares of Rs.10/- each fully Paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
iv. M/s.Ongole Iron Ore Mining Company Pvt Ltd 56,100 equity shares Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
<b>Investment in Joint Venture</b>			
v. M/s. Aswani Mineral Development (P) Ltd 65,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
vi. M/s.SRAP Mineral (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
vii. M/s. Arham Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
viii. M/s Tara Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
ix. M/s. Mangasree Granites (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
x. M/s. Ongole Minerals Exports (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xi. M/s. RLP Granites (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xii. M/s.A.P.Granites (Midwest) P Ltd 11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
xiii. M/s. Alliance A.P Back Galaxy Granites (P) Ltd 11,00,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
xiv. M/s.Petala Red Granites (P) Ltd 11,00,00 equity shares of Rs.100/- each fully paid up	11,000	11,000	11,000
xv. M/s A.P.Coastal sands & Metals Pvt Ltd., 13,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)	130 (130)
xvi. M/s.Gimpha AP Barytes Beneficiation (P) Ltd 1,320 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
xvii. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)
xviii. M/s Andhra Pradesh Iron Ore Company Ltd 6,850 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)	69 (69)
xix. M/s.Trinex Baryte Private Ltd 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)	4,500 (4,500)





xx. M/s.M.V. Minerals (P) Ltd 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)	110 (110)
xxi. M/s. Andhra Phosphate (P) Ltd 1,110 equity shares of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1,110 (1,110)	1,110 (1,110)	1,110 (1,110)
xxii. M/S.Andhra Pradesh Tribi Mining (P) Ltd 28,600 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	286 (286)	286 (286)	286 (286)
<b>Investments measured at amortised cost</b>			
Investment in Government Securities (unquoted)	7,116	7,116	7,116
Less: Provision made for doubtful investment	(7,092)	(7,092)	(7,092)
	<b>22,027</b>	<b>22,037</b>	<b>22,027</b>

Aggregate amount of quoted Investments - Market value  
Aggregate amount of quoted Investments - Book value  
Aggregate amount of Unquoted investments  
Aggregate provision for diminution in value of investments  
Aggregate Provision made for doubtful investment

-  
-  
22,027  
38,397  
7,404

-  
-  
22,037  
38,397  
7,404

-  
-  
22,027  
38,397  
7,407

4	Loans (Non-current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Security Deposits</b>			
	Unsecured and considered good	-	18,293	16,052
	Doubtful	9,274	754	-
	Less: Provision for doubtful debts	(9,274)	(754)	-
	<b>Vehicle loans to staff</b>			
	Secured, considered good	1,063	1,630	1,519
	Unsecured, considered good	-	-	-
	<b>Other Loans to staff</b>			
	Unsecured, considered good	914	636	1,466
	Doubtful	10	-	-
	Less: Provision for doubtful items	(10)	-	-
	<b>Total</b>	<b>2,008</b>	<b>20,559</b>	<b>19,037</b>

5	Other Financial Assets (Non-Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Balance in current accounts (Frozen)	5,779	6,135	-
	Long term bank deposits	59,91,276	67,79,073	11,73,116
	Balance in post office savings account	4,042	4,012	4,045
	Less: Provision for impairment	(3,996)	-	-
	Sweep accounts	66,742	56,384	-
	Advance recoverable in cash	-	-	10,106
	<b>Total</b>	<b>70,64,845</b>	<b>64,05,618</b>	<b>11,37,282</b>

6	Deferred tax asset (Net)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Deferred tax liability</b>			
	Property, plant & equipment	-	5,414	10,111
	Investment	5,076	5,076	5,076
	<b>Gross deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,187</b>
	<b>Deferred tax asset</b>			
	Property, plant & equipment	5,382	-	-
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	4,724	1,830	5,708
	Provision for decommissioning costs	16,151	15,062	15,327
	Provision for stripping activity adjustment	-	7,56,415	3,65,140
	Provision for tax & doubtful debts, investments & advances	47,207	32,316	6,029
	<b>Gross Deferred tax asset</b>	<b>74,505</b>	<b>8,05,624</b>	<b>3,90,203</b>
	<b>Net deferred tax liability/(asset)</b>	<b>(69,429)</b>	<b>(7,95,134)</b>	<b>(3,75,010)</b>



7	Other non-current assets	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>A) Capital advances</b>			
	Secured and considered good	-	-	-
	Unsecured and considered good	2,39,616	16,88,849	18,42,408
	Doubtful	26,000	26,023	-
	Provision for doubtful advances	(26,000)	(26,023)	-
		2,39,616	16,88,849	18,42,408
	<b>B) Advances other than capital advances</b>			
	i) Advances to related parties	-	-	-
	ii) Other advances	-	-	-
	Secured, considered good	-	-	-
	Unsecured, considered good	9,04,805	5,96,950	45,035
	Doubtful	22,160	22,927	165
	Less: Provision for doubtful items	(22,160)	(22,927)	(137)
		9,04,805	5,96,950	45,008
	<b>C) Others - Specified</b>			
	Balance with regulatory authorities	-	-	-
	Secured considered good	-	-	-
	Unsecured, considered good	3,86,956	4,00,576	35,607
	Doubtful	8,852	597	-
	Prepaid expense	-	-	-
	Less: Provision for doubtful items	(8,852)	(597)	-
		3,86,956	4,00,576	35,607
	<b>Total</b>	<b>15,31,376</b>	<b>26,86,375</b>	<b>19,23,172</b>
7.1	Non current tax assets (Net)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Advance tax</b>			
	Corporate tax receivable	7,26,053	7,26,053	67,759
	Tax collection at source	21	-	5
	Tax deducted at source	-	-	3,30,734
	<b>Total</b>	<b>7,26,074</b>	<b>7,26,053</b>	<b>3,98,498</b>
8	Inventories	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Finished Goods	14,45,639	6,03,494	6,56,807
	Less: Provision made	(799)	-	-
	Stores and spares - at cost	7,213	6,024	8,607
	<b>Total</b>	<b>14,52,053</b>	<b>6,11,518</b>	<b>6,55,414</b>
9	Trade receivables (Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Secured, considered good	-	-	-
	Unsecured, considered good	3,26,167	1,39,610	1,23,306
	Doubtful	46,280	20,586	8,449
	Less: Provision for doubtful debts	(46,280)	(20,586)	(8,449)
	<b>Total</b>	<b>3,26,167</b>	<b>1,39,610</b>	<b>1,23,306</b>
	Cash and cash equivalents	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
10.1	Cash and cash equivalents			
	Balances with banks:			
	in current accounts	2,34,420	1,52,780	1,06,934
	Cash on hand	89	342	109
	<b>(A)</b>	<b>2,34,508</b>	<b>1,53,123</b>	<b>1,07,043</b>
10.2	Other bank balances			
	In sweep accounts	7,93,148	11,57,690	1,30,800
	Fixed deposits with maturity > 3 months but < 12 months	-	-	58,56,569
	<b>(B)</b>	<b>7,93,148</b>	<b>11,57,690</b>	<b>59,87,369</b>
	<b>Total</b>	<b>8,27,657</b>	<b>13,10,813</b>	<b>60,94,412</b>



11	<b>Loans (Current)</b> Unsecured, considered good Vehicle loans to staff Short term loan to AP State Fibrenet Ltd - Refer Note - 42 (H) Other loans to staff <b>Total</b>	<b>As at 31-03-2017</b> 894 10,00,800 314 <b>10,01,241</b>	<b>As at 31-03-2016</b> 703 374 - <b>1,055</b>	<b>As at 01-04-2015</b> - - - -
12	<b>Other financial assets (Current)</b> Deposit with others Advances receivable in cash Unsecured, considered good Doubtful Interest receivable Less: Provision made Insurance claim receivable <b>Total</b>	<b>As at 31-03-2017</b> 54 261 - 2,72,853 (1,539) - <b>2,68,631</b>	<b>As at 31-03-2016</b> - 227 - 2,23,884 - 7 <b>2,24,118</b>	<b>As at 01-04-2015</b> 50 1,11,917 - 2,18,660 - - <b>3,30,527</b>
13	<b>Other assets (Current)</b> <b>A) Advances recoverable</b> i) Advances to related parties ii) Other advances Secured and good Unsecured and considered good Doubtful Less: Provision for doubtful items <b>B) Others - Specified</b> Balance with Prastudy Authorities Prepaid expenses <b>Total</b>	<b>As at 31-03-2017</b> - - - 53,174 - - <b>63,174</b> 8,91,447 25,724 <b>9,19,171</b> <b>9,82,345</b>	<b>As at 31-03-2016</b> - - - 15,55,459 - - <b>15,55,459</b> 766 9,826 <b>10,612</b> <b>15,66,071</b>	<b>As at 01-04-2015</b> - - - 52,368 - - <b>52,368</b> 23,219 3,494 <b>26,664</b> <b>79,032</b>
14	<b>Share capital</b> <b>Authorised share capital:</b> 1,00,000 equity shares of Rs.1000/- each (Previous year: 1,00,000 equity shares of Rs.1000/- each) <b>Issued, subscribed and fully paid up share Capital:</b> 63,062 equity shares of Rs.1000/- each fully paid up in cash (Previous year: 63,062 equity shares of Rs.1000/- each)	<b>As at 31-03-2017</b> 1,00,000 1,00,000 <b>1,00,000</b> 63,062 <b>63,062</b>	<b>As at 31-03-2016</b> 1,00,000 1,00,000 <b>1,00,000</b> 63,062 <b>63,062</b>	<b>As at 01-04-2015</b> 1,00,000 1,00,000 <b>1,00,000</b> 63,062 <b>63,062</b>
<b>Additional notes</b>				
<b>14.1</b>				
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>				
	<b>Particulars</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	
	Shares outstanding at the beginning of the year	63,062	63,062	
	Shares issued during the year	-	-	
	Shares outstanding at the end of the year	63,062	63,062	
<b>14.2</b>				
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.				
<b>14.3</b>				
<b>The details of shares in the Company held by each shareholder holding more than 5% shares</b>				
	<b>Name of the share holder</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	
	Governor of the Andhra Pradesh- represented by Assistant Secretary (100%)	63,062 (100%)	63,062 (100%)	
	(to Government: H.Rest. Industries & Commerce department)			



**Capital Reserves**  
**FREE RIDE EQUITY SHARES FOR CONSIDERATION OTHER**  
**THAN CASH ALLOTTED BY**

i. M/s. Damodhara Minerals Pvt Ltd 18921 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
ii. M/s. Anam Mineral Development Pvt Ltd 65000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
iii. M/s. SRAP Mineral (P) Ltd 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
iv. Anam Minerals Exports (P) Ltd 130000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
v. Isra Minerals Exports (P) Ltd 130000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
vi. Marossree Granites (P) Ltd 130000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
vii. Enclave Minerals Exports (P) Ltd 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
viii. R.P. Granites (P) Ltd 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
ix. M/s.A.P. Cranes(Midwest) P Ltd 110000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
x. M/s.Ahmed A.P.Black Galaxy Granites (P) Ltd 110000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
xi. M/s.Pa.ava Red Granites (P) Ltd 110000 equity shares of Rs.100/- each fully paid up	11,000	11,000	11,000
xii. M/s.A.P.Coastal sands & Metals Pvt Ltd 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)	130 (130)
xiii. M/s Orissa Iron Ore Mining Company Pvt Ltd 56,100 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
xiv. M/s Gumpex AP Barytes Beneficiation (P) Ltd 13 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
xv. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)



vi. M/s. Andhra Pradesh Iron Ore Company Ltd. 6,850 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		65 (69)	65 (69)	69 (69)
vii. M/s. Anupam Barite Private Ltd. 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		4,500 (4,500)	4,500 (4,500)	4,500 (4,500)
viii. M/s. V.V. Minerals (P) Ltd. 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares		110 (110)	110 (110)	110 (110)
		<b>22,000</b>	<b>22,000</b>	<b>22,000</b>
<b>Other comprehensive income reserve</b>				
Balance as per last financial statements		(10,191)	15,076	-
Other comprehensive income for the year		(3,718)	(31,575)	(5,076)
		<b>(13,901)</b>	<b>(36,701)</b>	<b>(5,076)</b>
<b>Add/(Less): Transferred from/(to) retained earnings</b>		6,470	26,510	-
<b>Closing balance</b>		<b>(7,432)</b>	<b>(10,191)</b>	<b>(5,076)</b>
<b>Reserve for bad and doubtful debts</b>				
Balance as per the last financial statements		8,000	7,094	4,941
Add/(Less): Transferred from to profit and loss account		10,689	906	2,153
<b>Closing balance</b>		<b>18,689</b>	<b>8,000</b>	<b>7,094</b>
<b>General Reserve</b>				
Balance as per the last Financial Statements		17,04,961	14,55,607	9,36,720
Less: Depreciation Adjustment		-	-	(5,514)
Add/(Less): Portion of share capital allotted to foreign region		-	26,284	126,200
Add: Transfer from profit & loss account		-	2,23,069	88,848
Add/(Less): Ind AS adjustments		-	-	5,91,830
Deferred tax thereon		-	-	-
<b>Closing balance</b>		<b>17,04,961</b>	<b>17,04,961</b>	<b>14,55,607</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>				
Balance as per the last financial statements		86,82,127	59,17,535	51,50,972
Profit for the year		31,75,547	79,95,077	8,88,482
Add: Transfer from other comprehensive income		-	-	-
		<b>1,18,57,669</b>	<b>89,32,612</b>	<b>60,47,454</b>
<b>Less: Appropriations</b>				
Transferred from/to other comprehensive income		6,420	26,510	2,153
Reserve for bad and doubtful Debts		10,610	906	88,848
Transfer to general reserve		-	2,23,069	15,766
Interim dividend		-	-	2,152
Tax on interim dividend		-	-	-
Total appropriations		<b>17,109</b>	<b>2,50,485</b>	<b>1,09,919</b>
<b>Net surplus in statement of profit and loss</b>		<b>1,18,40,560</b>	<b>86,82,127</b>	<b>59,37,535</b>
<b>Total reserves and surplus taken to balance sheet</b>		<b>1,35,78,729</b>	<b>1,04,06,897</b>	<b>74,17,161</b>

16	<b>Trade payables</b>		<b>As at</b>	<b>As at</b>	<b>As at</b>
			<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Due to others		-	1,776	6,460
	<b>Total</b>		-	<b>4,776</b>	<b>6,460</b>

17	<b>Other financial liabilities (Non-Current)</b>		<b>As at</b>	<b>As at</b>	<b>As at</b>
			<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Amounts payable to Govt of India		-	-	178
	Expenses payable against infrastructure development		68,500	1,39,378	1,500
	Others		23,68,071	4,38,745	6,911
	Deposits		10,490	6,881	1,97,531
	Interest payable		-	4,07,571	4,83,852
	<b>Total</b>		<b>24,47,061</b>	<b>10,42,595</b>	<b>6,65,459</b>





18	<b>Provisions (Non-current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Provision for Others:</b>			
	Provision for scriping activity adjustment	-	21,85,563	10,55,074
	Provision for decommissioning cost	46,784	43,520	40,444
	<b>Total</b>	<b>46,784</b>	<b>22,29,183</b>	<b>10,95,518</b>
19	<b>Other Non-current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	156	3,57,699
	Statutory liabilities	22,570	64,377	77,570
	Royalties payable	-	-	342
	<b>Total</b>	<b>22,570</b>	<b>64,528</b>	<b>4,35,610</b>
20	<b>Trade payables (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Trade payables</b>			
	Due to MSMED parties	-	-	-
	Due to others	2,59,181	83,141	22,207
	<b>Total</b>	<b>2,59,181</b>	<b>83,141</b>	<b>22,207</b>
	Micro and small enterprises under the micro and small enterprises development Act 2006 have been determined based on the information available with the company and the required disclosures are given below			
	<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	a) Principle amount and interest due thereon	-	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-	-
	Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.			
21	<b>Other financial liabilities (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Savings & other monies payable	23,353	47,679	83,490
	Expenses payable against infrastructure development	-	-	16,694
	Debits	7,01,678	4,33,184	51,389
	Interest payable	-	3,277	113
	Other payables	4,06,096	1,35,206	1,79,032
	<b>Total</b>	<b>7,93,127</b>	<b>6,16,346</b>	<b>3,29,697</b>
22	<b>Other current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	1,05,203	9,45,407
	Statutory liabilities	15,087	30,221	19,339
	<b>Total</b>	<b>15,087</b>	<b>1,95,425</b>	<b>9,64,741</b>
23	<b>Provisions (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Provision for employee benefits:</b>			
	Provision for gratuity	3,718	18,196	4,309
	Provision for leave benefits	14,305	18,796	8,277
	<b>Total</b>	<b>24,023</b>	<b>36,493</b>	<b>12,586</b>
24	<b>Current tax liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for income tax	27,459	-	-
	<b>Total</b>	<b>27,459</b>	<b>-</b>	<b>-</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to profit and loss account for the year ended 31-03-2017**

(Rs. in '000's)

25	<b>Revenue from operations</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
	Sale of products	54,60,532	61,39,617
	Other operating revenue	1,97,437	1,50,546
	<b>Total</b>	<b>56,57,969</b>	<b>62,90,163</b>

26	<b>Other income</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
	Interest on fixed deposits	4,14,042	4,54,665
	Interest on fixed deposits kept for BG	11,270	9,548
	Interest on sweep a/c- AB somajiguda	1,51,886	1,29,447
	Interest on sweep a/c- SBI, khairatabad	4,351	4,769
	Interest on electricity deposits	766	713
	Interest on FDR BGs without lien	53,461	54,632
	Interest on investments - NSC bonds	4	62
	Interest on postal saving bank account	6	-
	Interest on loans to staff	218	252
	Other interest receipts	17,318	4,352
	Other (Miscellaneous) Income	13,295	9,907
	Rent receipts	654	1,472
	Forfeiture of security deposit	462	33,680
	Penalty on ROM/CB	-	1,593
	Penalty on buyers/millers	28,670	-
	Sale of tender documents	899	1,378
	Profit on sale of assets	-	9
	Sale of scrap	36	-
	Freight & insurance on despatches	376	172
	Dividend from M/s. A.P. Gran tes (mid west) P Ltd	4,400	1,370
	Excess provision written back	6,371	20,325
	<b>Total</b>	<b>7,08,494</b>	<b>7,28,105</b>

27	<b>Cost of materials consumed</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
	Consumption of packing material	33,333	25,098
	<b>Total</b>	<b>33,333</b>	<b>25,098</b>

28	<b>Changes in inventories of finished goods</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
	a) Opening stock of finished goods	6,03,494	6,56,807
	<b>Total</b>	<b>6,03,494</b>	<b>6,56,807</b>
	b) Closing stock of Finished Goods	14,45,639	6,03,494
	<b>Total</b>	<b>14,45,639</b>	<b>6,03,494</b>
	<b>Changes in inventories of finished goods</b>	<b>(8,42,145)</b>	<b>53,313</b>



29	<b>Employee benefit expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Salaries and wages	1,70,364	1,43,428
	Bonus	13,501	14,372
	Employer's contribution to PF and other funds	26,798	14,751
	Staff welfare and other expenses	35,494	32,560
	Salary to VC & MD	998	1,093
	Leave encashment	7,535	3,053
	<b>Total</b>	<b>2,54,791</b>	<b>2,07,257</b>
30	<b>Finance costs</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Interest expense	-	5,696
	Int. payment against advance (Barytes Customers)	73,187	-
	Unwinding of discounting of provision for decommissioning	3,264	3,036
	<b>Total</b>	<b>76,447</b>	<b>8,732</b>
31	<b>Depreciation and amortization expense</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Depreciation of tangible assets	44,206	36,994
	Amortization of intangible assets	226	533
	<b>Total</b>	<b>44,432</b>	<b>37,527</b>
32	<b>Excavation &amp; transport charges</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Excavation & transport charges for ROM	4,02,145	2,54,638
	Excavation & transport charges for overburden	27,72,197	16,05,226
	<b>Total</b>	<b>31,73,342</b>	<b>18,59,864</b>
33	<b>Other expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
	Rents	10,390	8,940
	Repairs & maintenance	13,296	10,858
	Insurance	667	556
	Rates and taxes	21,652	28,001
	<b>Other expenses</b>		
	Operating expenses	1,50,825	55,988
	Royalty & other levies	7,165	13,315
	Selling expenses	74,007	41,932
	Prospecting & mining lease expenses	16,199	46,477
	Travelling & conveyance charges	-	12,161
	Office & general expenses	73,168	2,71,602
	Audit fee for statutory auditors	506	635
	Audit fee for other auditors	506	530
	Expenses to auditors	129	243
	Printing & stationery	3,147	7,651
	Postage, telegrams & telephones	4,987	2,579
	Corporate social responsibility expenses	19,160	11,113
	Remuneration to out sourced services	1,33,883	-
	Bad & doubtful debts (expenses)	41,922	20,137
	Bad & doubtful advances (Provision)	-	50,168
	Bad & doubtful investments (Provision)	4,502	-
	Provision for non moving stock	799	-
	Fixed assets written off	45	2
	Other assets written off	-	16,762
	Data processing charges	3,241	-
	Loss in transit	2,548	-
	Rehabilitation expenses	4,470	-
	Loans & advances written off	-	89
	<b>Total</b>	<b>5,97,209</b>	<b>5,99,719</b>



Payment to Auditors		Year ended 31-03-2017	Year ended 31-03-2016
Statutory audit fee		500	635
<b>Total</b>		<b>500</b>	<b>635</b>

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Exceptional Items (Net)	Year ended 31-03-2017	Year ended 31-03-2016
Provision for stripping adjustment no longer required	21,85,664	-
<b>Total</b>	<b>21,85,664</b>	<b>-</b>

During the year ended March 31, 2017, the company has reversed provision held for 'excavation and transport charges payable on over burden on shortfall as per stripping ratio as per mining plan' amounting to Rs.218.56 crores. The reversal of provision was on account of change in mining plan and corresponding change in estimate of stripping ratio. The modified mining plan was approved by deputy director of mines and geology, Kadapa region on 25-05-2016. Due to change in stripping ratio as per the mining plan the provision for stripping ratio created in previous years was no longer required and written back in financial year 2016-17

**Other comprehensive Income**

Items that will not be reclassified to P&L	Year ended 31-03-2017	Year ended 31-03-2016
<b>Remeasurement of Defined Benefit Plan Loss/Gain</b>		
Gratuity	(1,489)	(23,197)
Leave encashment	(3,462)	(11,604)
Gratuity plan asset OCI	2,499	325
Leave encashment plan asset OCI	210	217
Increase/Decrease in fair value of investments	-	(5,657)
Deferred tax on above items	(1,468)	8,291
<b>Total</b>	<b>(3,710)</b>	<b>(31,625)</b>



**35. Contingent liabilities and Commitments**

(To the extent not provided for)

(Rupees in '000's)

Sl. no	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>A.</b>	<b>Claims against the company not acknowledged as debts consisting of:</b>			
i.	Against the cases pending with Money suits and arbitration.	9,80,785	8,41,615	4,70,591
ii.	Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	4,34,315	68,749	1,18,505
iii.	Capital Commitment towards Chimakurthy Black Galaxy Granite Project- Land towards Consideration of land admeasuring to 266.86 acres for Patta land at Chimakurthy belonging to Animal Husbandry Department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196	62,196
iv.	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000	-





<p>v.</p>	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the Income Tax authorities disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		
<p>a.</p>	<p>To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.</p>		
<p>b.</p>	<p>To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13</p>		



	and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.			
c.	It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.			
d.	The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.			
e.	And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.			
	i) Aggregate till end of the Previous year	31,31,209	25,12,193	23,97,218
	ii) For the year(net off payment)	5,55,796	6,19,016	1,14,975
vi.	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	47,180	1,73,545



<b>B. Contingent liability on BG's:</b>			
i. Bank Guarantees furnished to different Departments on behalf of the company	63,00,000	6,50,209	19,44,328

**\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid are as follows. (Rupees in 000's)**

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Expl.	441	153	287
1999-00	Expl.	429	92	336
2000-01	Expl.	678	169	508
2002-03	Expl	-	432	-
2003-04	Expl	-	50	-
2004-05	Expl	301	301	-
2005-06	Expl	4,515	4,515	-
2006-07	Expl	5,039	5,039	-
2007-08	Expl	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Expl & Consil.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



**Andhra Pradesh Mineral Development Corporation Limited**

**36. Classification of financial instruments**

**A.** Classification of financial liabilities and financial assets are classified in accordance with the accounting policies

**As at 31st March, 2017**

(Rs. In '000')

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments designated at amortised cost</b>						
Non current investments	3	-	-	22,027	-	22,027
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	10,04,238	-	10,04,238
Trade receivables	9	-	-	3,26,167	-	3,26,167
Cash and Cash equivalents	10.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	10.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	5	-	-	73,567	-	73,567
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	69,91,332	-	69,91,332
Advances to staff	12	-	-	263	-	263
Interest receivable	12	-	-	2,68,314	-	2,68,314
Insurance claim receivable	12	-	-	-	-	-
		-	-	92,13,565	-	92,13,565
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	2,59,181	2,59,181
<b>Other financial liabilities</b>						
Relating to employees	17 & 21	-	-	-	23,353	23,353
Expenses payable against Infrastructure Development	17 & 21	-	-	-	68,500	68,500
Others	17 & 21	-	-	-	26,54,167	26,54,167
Deposits	17 & 21	-	-	-	2,94,168	2,94,168
Interest Payable	17 & 21	-	-	-	-	-
		-	-	-	34,99,369	34,99,369

**As at 31st March, 2016**

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non current investments	3	-	-	22,037	-	22,037
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	21,615	-	21,615
Trade receivables	9	-	-	1,39,610	-	1,39,610
Cash and Cash equivalents	10.1	-	-	1,52,923	-	1,52,923
Bank balances other than above	10.2	-	-	11,57,690	-	11,57,690
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	66,545	-	66,545
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	63,39,073	-	63,39,073
Advances to staff	12	-	-	227	-	227
Interest receivable	12	-	-	2,33,884	-	2,33,884
Insurance claim receivable	12	-	-	7	-	7
		-	-	81,33,611	-	81,33,611
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	87,918	87,918
<b>Other financial liabilities</b>						
Relating to employees	17 & 21	-	-	-	42,679	42,679
Expenses payable against Infrastructure Development	17 & 21	-	-	-	1,89,378	1,89,378
Others	17 & 21	-	-	-	5,73,951	5,73,951
Deposits	17 & 21	-	-	-	4,40,045	4,40,045
Interest payable	17 & 21	-	-	-	4,10,848	4,10,848
		-	-	-	17,44,819	17,44,819



As at 1st April, 2015

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non-Current Investments	3	-	-	22,022	-	22,022
<b>Financial assets not measured at fair value</b>						
Trans	4 & 11	-	-	19,037	-	19,037
Trade receivables	9	-	-	1,21,806	-	1,21,806
Cash and Cash equivalents	10.1	-	-	1,09,043	-	1,09,043
Bank balances other than above	10.2	-	-	59,89,369	-	59,89,369
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	4,046	-	4,046
Advance recoverable in cash	5 & 12	-	-	10,106	-	10,106
Deposit with others	5 & 12	-	-	11,23,155	-	11,23,155
Advances to staff	12	-	-	1,11,917	-	1,11,917
Interest receivable	12	-	-	2,18,660	-	2,18,660
Insurance claim receivable	12	-	-	-	-	-
		-	-	77,31,365	-	77,31,365
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	1,50,000	1,50,000
Trade payables	16 & 20	-	-	-	29,157	29,167
<b>Other financial liabilities</b>						
Relating to Employees	17 & 21	-	-	-	83,668	83,668
Expenses payable against Infrastructure Development	17 & 21	-	-	-	1,92,379	1,92,379
Others	17 & 21	-	-	-	1,86,443	1,86,443
Deposits	17 & 21	-	-	-	2,48,899	2,48,899
Interest Payable	17 & 21	-	-	-	4,83,766	4,83,766
		-	-	-	13,74,323	13,74,323

### 37 Financial Risk Management

#### A Management of Credit Risk

- Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.
- Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

#### B Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

#### i. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Barytes	2,82,898	(2,82,898)	3,14,506	(3,14,506)

##### b. Packing material price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Packing material	(1,567)	1,667	(1,255)	1,255





**6. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense				
Excavation & Transport Charges for KUM	(20,057)	20,057	(12,712)	12,712
Excavation & Transport Charges for Overburden	(1,38,610)	1,38,610	(80,261)	80,261

**38. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2017**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	32,40,187	7,33,126	24,47,061	-
	<b>34,99,368</b>	<b>10,52,308</b>	<b>24,47,061</b>	-

**As at 31st March 2016**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	89,718	83,142	6,576	-
Other financial liabilities	16,56,901	5,14,345	10,42,555	-
	<b>17,46,619</b>	<b>6,97,488</b>	<b>10,47,331</b>	-

**As at 1st April 2015**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Borrowings	1,50,000	1,50,000	-	-
Trade payables	29,167	22,707	6,460	-
Other financial liabilities	11,93,156	3,22,597	8,65,459	-
	<b>13,72,323</b>	<b>5,02,404</b>	<b>8,71,919</b>	-

**39. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2017	As at 31-03-2016
Employers contribution to provident fund	6,817	7,879
Employers contribution to pension fund	4,641	4,633

**B. Defined benefit plans :**

The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31st March 2017 & 31st March 2015:

Particulars	Gratuity			Leave Encashment		
	As at 31-03-2017	As at 03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Change in benefit obligations						
Benefit obligations at the beginning	52,450	47,945	49,700	47,022	49,354	49,561
Service cost	1,446	1,655	1,663	3,461	3,519	316
Interest expenses	3,718	-	3,976	3,291	-	3,887
Fulfillment (gains)/losses	-	-	-	-	-	-
Transfer of obligation (net)	-	-	-	-	-	-
Benefits paid	(12,032)	(20,306)	(13,636)	(11,764)	(17,555)	(7,337)
Remeasurements - Actuarial (gains)/losses	1,489	23,197	6,247	3,467	11,605	3,907
<b>Benefit obligations at the end</b>	<b>47,111</b>	<b>52,491</b>	<b>47,945</b>	<b>45,475</b>	<b>47,022</b>	<b>49,354</b>



Particulars	Gratuity			Leave Encashment		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Change in Plan Assets						
Fair Value of Plan Assets at the beginning	34,294	43,616	45,516	28,726	41,127	41,362
Interest Income	(74)	3,572	3,991	1,996	1,151	3,647
Employer Contributions	12,707	7,067	6,765	9,001	1,785	1,460
Benefits Payments from Plan Assets	(12,032)	(20,306)	(11,636)	(11,764)	(17,555)	(7,337)
Actuarial gain / (loss) on plan assets	2,495	325	-	210	218	-
Benefit obligations at the end	37,394	34,294	43,516	31,169	28,726	41,127

ii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	As at 03-2016	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Service cost	1,446	1,555	3,464	1,619
Interest Expenses	3,792	(3,572)	(1,705)	(3,151)
Net expense recognised	5,238	(1,917)	1,759	468

iii. Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	As at 03-2016	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Actuarial (gain)/losses on obligations for the period	1,489	23,197	3,462	11,604
Actuarial (gain)/losses on plan assets for the period	(2,459)	(325)	(210)	(217)
Net (income)/expenses for the period	(910)	22,872	3,252	11,387

Assumptions Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	As at 03-2016	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Rate of discounting	8.00%	8.00%	8.00%	8.00%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

iv. Summary of Demographic Assumptions

Particulars	Gratuity			Leave Encashment		
	As at 31-03-2016	As at 04-2015	As at 04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Mortality Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Disability Rate	-	-	-	5.00%	5.00%	5.00%
Withdrawal Rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal Retirement Age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Adjusted Average Future Service	12.39	12.13	11.33	-	-	-
Leave encashment rate	-	-	-	10.00%	10.00%	10.00%
Leave availment rate	-	-	-	2.00%	2.00%	2.00%

v. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity			Leave Encashment	
	As at 03-2016	As at 04-2015	As at 04-2015	As at 31-03-2017	As at 31-03-2016
Expected Cash flow in year 1	11,128	12,567	12,567	12,310	13,114
Expected Cash flow in year 2	12,958	10,513	10,513	13,060	9,925
Expected Cash flow in year 3	2,642	12,127	12,127	5,590	10,819
Expected Cash flow in year 4	3,269	2,450	2,450	4,670	4,524
Expected Cash flow in year 5	5,081	2,560	2,560	4,613	3,774
Expected Cash flow in year 6	4,401	4,643	4,643	3,697	3,686
Expected Cash flow in year 7	4,397	4,125	4,125	3,575	3,024
Expected Cash flow in year 8	2,578	4,172	4,172	1,893	2,908
Expected Cash flow in year 9	2,661	2,310	2,310	1,894	1,503
Expected Cash flow in year 10	3,123	2,668	2,668	1,658	1,559



vi. Significant estimates: Sensitivity analysis

Discount rate, Salary escalation rate and Withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below

Effect on Gratuity valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	47,112	52,490	0.00%	0.00%
Salary Escalation - Up by 1%	48,701	54,316	3.40%	3.50%
Salary Escalation - Down by 1%	45,418	50,600	-3.60%	-3.60%
Withdrawal Rates - Up by 1%	47,593	52,962	1.03%	0.90%
Withdrawal Rates - Down by 1%	46,586	51,976	-1.10%	-1.00%
Discount Rates - Up by 1%	45,775	50,545	-3.90%	-3.70%
Discount Rates - Down by 1%	49,144	54,634	4.30%	4.10%

vii. Effect on Leave Encashment valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	45,875	47,022	0.00%	0.00%
Salary Escalation - Up by 1%	47,091	48,681	3.60%	3.50%
Salary Escalation - Down by 1%	45,747	45,445	-3.40%	-3.40%
Withdrawal Rates - Up by 1%	45,683	47,234	0.50%	0.50%
Withdrawal Rates - Down by 1%	45,256	46,799	-0.50%	-0.50%
Discount Rates - Up by 1%	44,786	45,794	-2.60%	-2.60%
Discount Rates - Down by 1%	46,751	48,338	2.80%	2.80%

viii. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments

ix. Liability risks

a. Discount rate risk

Variances in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

b. Future salary escalation and inflation risk

Since once inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk

40 Earnings per share

Particulars	As at 31-03-2017	As at 31-03-2016
Profit after tax	31,71,833	29,95,078
Profit available for Equity Shareholders	31,71,833	29,95,078
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal value of equity share	1,000	1,000
Basic Earnings Per Share (In Rupees)	50,356	47,494
Equity shares used to compute diluted earnings per share	63,062	63,062
Diluted Earnings Per Share (In Rupees)	50,356	47,494

41 Related Party Transactions

A. List of related parties

(% of holding)

Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Ongole Iron Ore Mining Company Pvt Ltd	51.00%	51.00%	51.00%
Andhra Phosphate Private Limited	50.00%	50.00%	50.00%
APMDC SCL Sulayan Coal Company Ltd	51.00%	51.00%	51.00%
Murgur Coal Company Limited	50.00%	50.00%	50.00%

Joint Venture Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Iron Ore Company Ltd	11.00%	11.00%	11.00%
Gimpex AP Barytes Beneficiation Private Limited	11.00%	11.00%	11.00%
Trimex Baryte Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Granite (MIDWEST) Private Limited	11.00%	11.00%	11.00%
Pallavur Granite Private Limited	11.00%	11.00%	11.00%
V V Minerals Private Limited	12.36%	12.36%	12.36%
Alkaree Andhra Pradesh Black Granites Pvt Ltd	11.00%	11.00%	11.00%
Agawani Mineral Development Private Ltd	26.00%	26.00%	26.00%
Arham Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Isra Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Margasree Granites (P) Ltd	26.00%	26.00%	26.00%
Ongole Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
RLP Granites (P) Ltd	26.00%	26.00%	26.00%
SRAP Minerals Private Limited	26.00%	26.00%	26.00%
A.P.Coastal Sand & Metals Pvt Ltd	26.00%	26.00%	26.00%
Andhra Pradesh Tribal Mining (P) Ltd	26.00%	26.00%	26.00%



**Key Management Personnel:**

Name of the related party	Relation
Sri Ch. Venkatesh Choudary, I.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP State Fertiliser Ltd	Fellow Government company

**B. Related Party Transactions****Amounts of Revenue from the related parties**

Name of the party	Consideration	Other income (Dividend)
M/s.A.P. Granites (Midwest) P Ltd	1,64,819	4,403
M/s. Pallava Red Granites	31,042	-

**C. (a) Amount Due (to)/from related parties:**

Party Name	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s. SRAP Minerals	4,503	4,495	4,496
M/s.A.P. Granites (Midwest) P Ltd	1,30,914	98,488	78,031
M/s. Alliance A.P. Black Galaxy Granites (P) Ltd	1,721	1,721	1,713
M/s. Pallava Red Granites	46,946	36,507	23,754

**D. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s. SRAP Minerals	4,503	4,495	110
M/s. A.P. Granites (Midwest) Pvt Ltd	12,056	-	-

**E. Balance during the year with related parties**

Investment in Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Ongole Iron Ore Mining Company Pvt Ltd *	561	561	561
Andhra Pradesh Private Limited *	1,110	1,110	1,110
APMDCL - SCCL Suiyan Coal company ltd *	51	51	51
Naugon Coal company limited *	5,957	5,957	300
<b>Total</b>	<b>7,679</b>	<b>7,679</b>	<b>2,022</b>
* Investment Debated/provision	1,671	-	-
† Investment Debated/provision	6,308	6,008	-

**F. Investment in Joint Venture Companies**

	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited *	8,525	8,525	8,525
Andhra Pradesh Iron Ore Company Ltd *	69	69	69
Gimpex AP Barytes Beneficiation Pvt Ltd *	13	13	13
Trimex Baryte Private Limited *	4,500	4,500	4,500
Andhra Pradesh Granite (MIDWEST) Pvt Ltd	11,000	11,000	11,000
Pallavared Granite Private Limited	11,000	11,000	11,000
V.V. Minerals Private Limited *	110	110	110
Alliance Andhra Pradesh Black Granites Pvt Ltd *	11,000	11,000	11,000
Aswari Mineral Development Private Ltd *	650	650	650
Arham Minerals Exports (P) Ltd *	1,300	1,300	1,300
Lara Minerals Exports (P) Ltd *	1,300	1,300	1,300
Marganese Granites (P) Ltd *	1,300	1,300	1,300
Ongole Minerals Exports (P) Ltd *	3,250	3,250	3,250
RLP Granites (P) Ltd *	3,250	3,250	3,250
SRAP Minerals Private Limited *	3,250	3,250	3,250
A.P. Coastal Sand & Metals Pvt Ltd *	130	130	130
Andhra Pradesh Tribal Mining (P) Ltd *	286	286	286
<b>Total</b>	<b>60,933</b>	<b>60,933</b>	<b>60,933</b>
* Investment Debated/provision	13,237	-	-
% Investment Debated/provision	396	396	-
† Investment Debated/provision	25,300	25,300	25,300



G. Key Managerial Personnel:

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Sri Ch.Venkatesh Chowdary, I.R.S	228	1,093	816

H. Interest free loan to related parties

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
AP State Fibernet Ltd	1,00,000	-	-

42 Deferred tax asset/(Liability)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Tax effect on items constituting deferred tax assets</b>			
Provision for employee benefits	4725	1,830	5,708
Provision for decommissioning asset	16191	15,062	13,327
Property, plant and equipment	6382	-	-
Provision for stripping adjustment	-	3,56,415	3,65,140
Other provisions	42,207	32,318	6,079
<b>Total deferred tax asset</b>	<b>74,505</b>	<b>8,05,625</b>	<b>3,90,254</b>
<b>Tax effect on items constituting deferred tax liabilities</b>			
Property, plant and equipment	-	5,414	10,113
Investments	5,076	5,076	5,076
<b>Total deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,189</b>
<b>Deferred tax asset/(Liability) - Net</b>	<b>69,429</b>	<b>7,95,135</b>	<b>3,75,065</b>





#### 43.CSR Expenditure

A. Gross amount required to be spent by the company during the year is Rs.70,685.54 thousands.

B. Amount spent during the year

(Rupees in 000's)

Sl No	Particulars	Year ended 31-03-2017	Year ended 31-03-2016
i.	Construction / Acquisition of any assets	-	-
ii.	Purpose other than above	19,160	11,113

#### 44. Treatment demerger plan in the Books of accounts

A. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana.

B. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.

C. In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.

D. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.

E. The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC & TSMDC and the formula for bifurcation was approved.

F. The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for this purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.

G. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC -58.32%
- TSMDC -41.68%



H. APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

I. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:**

(Rupees in 000's)			
Equity & Liabilities	Common Pool	AP	TS
<b>Ratio</b>		58.32%	41.68%
<b>Shareholder's Funds</b>			
a) Share capital	63,062	36,778	26,284
b) Reserve & Surplus	1,04,28,142	6,081,692	43,46,449
c) Deferred Govt. Grants	19	11	8
<b>Current/ Non-Current liabilities</b>			
a) Deferred tax liability	2,358	1,375	983
b) Trade payables	23,38,003	13,63,524	9,74,480
c) Other current liabilities	6,66,827	3,88,894	2,77,934
d) Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
a). Fixed Assets (WDV)	34,405	20,065	14,340
b). Non-Current Investment	49,944	29,128	20,817
c). Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
a). Inventories	1,393	813	581
b). Trade receivables	16,563	9,659	6,903
c). Cash & Bank Balances	439	256	183
d). Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
e). Other Fixed Deposits	81,62,135	47,60,157	34,01,978
f). Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### 45. General

- A. Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period is material.
- B. Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations.
- C. Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.
- D. All amounts have been reported in thousands except for the share data and earning per share (EPS).

#### 46. Explanation of Transition to IND AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1.1 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April 2015 (the Company's date of transition).

The Company has prepared the opening balance sheet as per Ind AS as on 1<sup>st</sup> April, 2015 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from the previously applicable Indian GAAP to Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

##### Exemptions availed on first time adoption of Ind-AS 101

##### a. Deemed Cost for Property, Plant and Equipment and Intangible Assets

The company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### b. Decommissioning Liabilities

A first-time adopter need not to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:



- Measure the liability at the transition date in accordance with Ind AS 37;
- Using the historical risk adjusted discount rate, determine the amount which would have been capitalised when the liability first arose; and
- Compute the amount of depreciation based on the estimated useful life.

Accordingly, the Company has elected to apply the exemption for the obligations arising on account of decommissioning cost.

**c. Leases**

For transition to Ind AS, the company has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

**d. Investment In subsidiaries, joint arrangements and associates**

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in Subsidiaries, Joint arrangements and Associates either:

- at cost; or
- in accordance with Ind AS 109.


Hence by availing the exemption the Investments in Subsidiaries, Joint arrangements and associates are measured at cost.

**e. Classification and measurement of financial assets**

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement and hence, classification and measurement needs to be done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

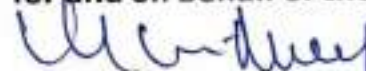
**For Sriramamurthy & Co**

Chartered Accountants  
Firm Regn No.003032S



**Dondeti Teja Sagar**  
Partner  
Mem No.227878


**for and on behalf of the board of directors**



**V.G.Venkata Reddy**  
VC&MD  
DIN:08805525



**D. Ramadevi**  
Director  
DIN:08076094

  
**A. Nageswara Reddy**  
General Manager-F&A

**Place: Vijayawada**  
**Date:14<sup>th</sup> July,2022**

UDIN: 22227878AMYRCH7S10





**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of Equity as previously reported under IGAAP to Ind AS**

(Rs. in '000's)

Particulars	As on 31-03-2016			As on 01-04-2015		
	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2,33,756	(12,030)	2,21,725	1,29,317	(914)	1,28,403
Capital work-in-progress	-	-	-	61,459	-	61,459
Other intangible assets	749	(318)	421	907	(74)	833
<b>Financial assets</b>						
Investments	44,036	(22,000)	22,037	44,957	(22,936)	22,022
Loans	20,559	-	20,559	19,037	-	19,037
Others (to be specified)	60,91,476	3,14,141	64,05,618	8,23,120	3,14,141	11,37,262
Deferred tax assets (Net)	76,621	7,18,513	7,95,134	14,774	3,60,242	3,75,016
Other Non-current assets	26,64,925	21,751	26,86,675	19,86,319	(63,147)	19,23,172
Non-current tax assets (Net)	7,26,053	-	7,26,053	-	-	-
<b>Current assets</b>						
Inventories	6,11,518	-	6,11,518	6,65,414	-	6,65,414
<b>Financial assets</b>						
Trade receivables	1,39,610	-	1,39,610	1,23,806	-	1,23,806
Cash and cash equivalents	1,52,923	-	1,52,923	1,09,043	-	1,09,043
Other bank balances	11,57,690	-	11,57,690	59,89,369	-	59,89,369
Loans	1,056	-	1,056	-	-	-
Others (to be specified)	2,34,118	-	2,34,118	3,30,827	-	3,30,827
Current Tax Assets (Net)	-	-	-	3,98,498	-	3,98,498
Other current assets	15,65,761	290	15,66,051	70,419	592	79,012
<b>TOTAL ASSETS</b>	<b>1,37,20,071</b>	<b>10,20,337</b>	<b>1,47,40,408</b>	<b>1,07,75,286</b>	<b>5,87,905</b>	<b>1,13,63,191</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	63,062	-	63,062	63,062	-	63,062
Other equity	91,72,076	12,34,822	1,04,06,898	69,34,504	4,82,657	74,17,161
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	4,776	-	4,776	5,460	-	6,460
Other financial liabilities	10,42,555	-	10,42,555	6,67,928	1,87,531	8,65,459
Provisions	22,65,991	(36,807)	22,29,184	11,68,001	(59,907)	11,08,093
Other non-current liabilities	64,528	-	64,528	4,35,810	-	4,35,810
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	-	-	-	1,50,000	-	1,50,000
Trade payables	83,142	-	83,142	22,707	-	22,707
Other financial liabilities	5,95,179	19,167	6,14,346	3,27,390	2,307	3,29,697
Other current liabilities	1,95,425	-	1,95,425	9,64,741	-	9,64,741
Provisions	7,33,338	(1,96,845)	5,36,493	14,683	(34,683)	-
Current tax liabilities (Net)	-	-	-	-	-	-
<b>Total liabilities</b>	<b>44,84,934</b>	<b>(2,14,485)</b>	<b>42,70,449</b>	<b>37,77,720</b>	<b>1,05,248</b>	<b>38,82,969</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,37,20,071</b>	<b>10,20,337</b>	<b>1,47,40,408</b>	<b>1,07,75,286</b>	<b>5,87,905</b>	<b>1,13,63,192</b>





**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of Profit and loss for the year ended 31-03-2016**

(Rs. in '000's)

Particulars	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>Income</b>			
Revenue from operations	62,90,163	-	62,90,163
Other income	7,28,105	-	7,28,105
<b>Total</b>	<b>70,18,269</b>	<b>-</b>	<b>70,18,269</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	25,098	-	25,098
[Increase]/Decrease in inventories	53,313	-	53,313
Employee benefits expense	2,92,206	(84,949)	2,07,257
Finance costs	5,696	3,036	8,732
Depreciation and amortization expense	26,496	11,031	37,527
Power and fuel	75,885	-	75,885
Excavation & transport charges	18,59,864	-	18,59,864
Other expenses	6,85,995	(86,276)	5,99,719
<b>Total Expenses</b>	<b>30,24,553</b>	<b>(1,57,157)</b>	<b>28,67,396</b>
<b>Profit/(Loss) before Exceptional items and tax</b>	<b>39,93,716</b>	<b>1,57,157</b>	<b>41,50,873</b>
Add : Exceptional Items (Net)	(2,57,246)	2,57,246	-
<b>Profit/(Loss) before tax</b>	<b>37,36,470</b>	<b>4,14,403</b>	<b>41,50,873</b>
<b>Less : Tax expenses</b>			
Earlier years	20,215	-	20,215
Current tax	15,47,408	-	15,47,408
Deferred tax	(61,847)	(3,49,979)	(4,11,826)
<b>Total tax expense</b>	<b>15,05,775</b>	<b>(3,49,979)</b>	<b>11,55,796</b>
<b>Profit/(Loss) for the year from continuing operations</b>	<b>22,30,695</b>	<b>7,64,382</b>	<b>29,95,077</b>
Profit/(Loss) from discontinuing operations	-	-	-
Less : Tax expense of discontinuing operations	-	-	-
<b>Profit/(Loss) from discontinuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>	<b>22,30,695</b>	<b>7,64,382</b>	<b>29,95,077</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit and loss account	-	(39,916)	(39,916)
Income tax relating to above items	-	8,291	8,291
Items that will not be reclassified to Profit and loss account	-	-	-
Income tax relating to above items	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>(31,625)</b>	<b>(31,625)</b>
<b>(Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>22,30,695</b>	<b>7,32,757</b>	<b>29,63,452</b>
<b>Earnings per equity share</b>			
<b>[Nominal value of share Re.1000 /-]</b>	<b>35,373.04</b>	<b>12,121.12</b>	<b>47,494.16</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			



**INDEPENDENT AUDITORS' REPORT**

To  
**The Members of  
Andhra Mineral Development Corporation Limited**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of requirements of Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

#### **Basis for Qualified Opinion**

We draw attention to the following:

- i) In the absence of the audited financial statements or management certified accounts, for the year ended 31<sup>st</sup> March 2017, the transactions of subsidiaries and share in profit/losses of joint ventures, of the below mentioned entities are not incorporated in these consolidated Ind AS financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL suliyari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Aswani Mineral Development Private Ltd	Joint Venture	26.00%
12	Arham Minerals Exports (P) Ltd	Joint Venture	26.00%
13	Isra Minerals Exports (P) Ltd	Joint Venture	26.00%
14	Margasree Granites (P) Ltd	Joint Venture	26.00%
15	Ongole Minerals Exports (P) Ltd	Joint Venture	26.00%
16	RLP Granites (P) Ltd	Joint Venture	26.00%
17	SRAP Minerals Private Limited	Joint Venture	26.00%
18	A.P.Coastal Sand & Metals Pvt Ltd	Joint Venture	26.00%
19	Andhra Pradesh Tribal Mining (P) Ltd	Joint Venture	26.00%



Holding Company's Basis for qualified Opinion (As stated in the report of standalone financial statements):-

- ii) The Holding company has passed entries for bifurcation in the past years except w.r.t share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for verification. Consequent to bifurcation, the amounts transferred by the Holding Company to M/s Tetangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by M/s TSMDC. Further, The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to M/s TSMDC based on estimates for which no supporting document was produced. Hence, we are not able to comment on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment account	17	Other Financial liability(non-current)	32,38,69,314	Cr
2	Interest on the Portion of FDRs,BGs,and Sweep- SBI allocated to TSMDC	17	Other Financial liability(non-current)	61,21,14,691	Cr
3	APMDC - TSMDC - suliyari coal block	17	Other Financial liability(non-current)	1,25,07,58,691	Cr
4	APMDC - TSMDC - Advances	7	Other Non-current Assets	21,59,87,063	Dr
5	TSMDC - Advance [ Tr.of.Lia & Assets]	7	Other Non-current Assets	7,70,01,656	Dr
6	Demerger Adjustment Account of Fixed Deposits and Fixed Deposits Kept for BGs	7	Other Non-current Assets	59,28,83,337	Dr
7	Fixed Deposits	5	Other Financial Assets (Non-Current)	5,65,44,00,220	Dr
8	Fixed Deposits Kept for Bank Guarantees	5	Other Financial Assets (Non-Current)	41,89,21,427	Dr
9	Fixed Deposits kept for Bg without Lien	5	Other Financial Assets (Non-Current)	91,79,56,185	Dr
10	Sweep Account (SBI, Khairatabad)	5	Other Financial Assets (Non-Current)	6,67,42,244	Dr
11	Interest Accrued on Fixed Deposits	12	Other Financial Assets (Current)	17,80,40,591	Dr
12	Interest Accrued on Fixed Deposits kept for Bank Guarantee	12	Other Financial Assets (Current)	42,99,356	Dr
13	Interest Accrued on FDR BG Without Lien	12	Other Financial Assets (Current)	7,78,48,063	Dr
14	Interest Accrued on Sweep Account SBI	12	Other Financial Assets (Current)	74,10,829	Dr



15	Interest on Fixed Deposits	26	Other Income	41,40,41,656 Cr
16	Interest on Fixed Deposits Kept for BG	26	Other Income	1,12,70,470 Cr
17	Interest on Fixed Deposits BGs without lien	26	Other Income	5,34,60,553 Cr
18	Interest Receipts Sweep a/c (Khairatabad)	26	Other Income	43,51,442 Cr

iii) The Holding company is required to disclose contingent liabilities as per IND AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2017 by the Holding company could not be audited by us as the Holding company has not provided the related legal litigation files for our understanding and verification.

iv) The following Ledger balances as on 31<sup>st</sup> March 2017 are subject to receipt of Utilisation certificate and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at 31 <sup>st</sup> March 2017
Advance E.E Panchayat Raj Rajampet	EE Panchayat Raj, Rajampet	98,00,000
Deposit with rehabilitation	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector	District Collector, Cuddapah	28,52,37,861
Deposit with Land Aquation	Regional District Officer, Cuddapah	5,97,085
Deposit with Sub-Treasury	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificate and confirmation from respective party/ statutory authority, we are unable to ascertain the whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Ind AS financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the IND AS financial statements.

vi) Stores and Spares item wise ledgers amounting to Rs. 72,13,480 have not been provided for verification. Further, physical verification reports have also not been furnished in respect of store items. Accordingly, their existence and usability could not be ascertained. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis. The resultant impact on the INDAS Financial Statements could not be ascertained.





vii) During the year, the Holding Company has advanced a interest free loan of Rs. 100 Crores to M/s Andhra Pradesh State Fibrenet Limited. In the absence of the details of the terms, security and other relevant documentation, we are unable to comment on whether the loan is secured or not and whether or not the same are made at terms which are prejudicial to the interest of the Holding company or its members.

viii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red dated 3rd March 2008 and M/s Midwest Granite dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent on due date in few scenarios due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the INDAS Financial Statements could not be ascertained.

x) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable and Deposit for court Fees payable amounting to Rs. 28.40 Crores. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with contractors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated INDAS financial statements.

x) The Holding Company has balances in Sales Tax Payable, APVAT Payable, Deposit with Sales Tax Department, and Deposit with Service Tax Department amounting to 1.22 Crores (Credit), 1.32 Crores (Credit), Rs. 5.74 Crores (Debit) and Rs. 1.16 Crores (Debit) respectively. The documents pertaining to the Tax cases enty are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the consolidated INDAS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.

xi) The Holding Company has balances in Tax Assets amounting to Rs. 72.60 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. The Revised Return based on the Audited Financials are yet to be filed since Financial Year 2014-15. Any effect on account of revising previous year as well as current year returns has not been provided for in the books. Further the company has not disclosed the relationship between tax expense and accounting profit as prescribed under INDAS 12.

xii) The Holding company has Trade Receivables balance amounting to Rs. 16.49 Crores. Confirmations from Trade Receivables are not available. Considering non reconciliation of General Ledger balance with Sub Ledger balances and non-confirmation from parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated INDAS financial statements.



- xiii) We were informed that the balance in the following ledgers are pending final settlement on account of delayed court proceedings: -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C.-S.C.K.C.-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further the balance in the respective ledger balances are subject to confirmation and reconciliation on account of the dispute between the parties and APMDC. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated INDAS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at 31<sup>st</sup> March, 2017, and its consolidated financial performance including other comprehensive Income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following:

- Note No 34 of the consolidated Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.

Our opinion is not modified in respect of the above matter.

#### Other Matters

We did not audit the financial statements/financial information of M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) and M/s Pallava Red Granite Private Limited (Joint Venture). The consolidated Ind AS financial statements include the Group's share of Net Loss of Rs. 77.02 lakhs for the year ended 31<sup>st</sup> March 2017 in respect of the above two joint ventures. These financial statements/financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint ventures and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditors



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
- b) Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the holding Company so far as it appears from our examination of those books and the reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
- e) As per Notification F. No. 1/2/2014-CL. V dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the holding Company is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements- Refer Note 2.35 to the Consolidated Ind AS financial statements.
  - ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
  - iv. The Holding Company has not complied with the terms of Section 124 of the Companies Act, 2013 w.r.t. Unpaid Dividends. Further in terms of Section 123(6) of the said Act, the Holding Company cannot pay dividend since the Holding Company has violated provisions of Section 73 of the Companies Act, 2013.



- v. The Holding Company has not provided requisite disclosures in the Consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.
- 2 We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



*D. Teja Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN : 22227878AMYRJ17786

#### **Annexure- A to the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended 31<sup>st</sup> March 2017)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") as of March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

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

The respective Board of Directors of the entities of the Group, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Group, considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Subject to the matters described in Basis for Qualified Opinion paragraph, we believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports





is sufficient and appropriate to provide a basis for our audit opinion on the Group internal financial controls over financial reporting.

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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31 2017.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding company is currently following manual system of accounting and did not have an effective system for timely accounting of entries.
- e) Non implementation of IT system for the nature and volume of activities of the Holding Company



A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at 31<sup>st</sup> March 2017 and these material weaknesses has affected our opinion on the consolidated financial statements of the Group and we have issued a Qualified opinion on the financial statements of the Holding Company.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN : 22227878AMYRJ17786

# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether The holding Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds are not available in respect of 1.67 Acres at Mangampeta (Carrying Amount: 23,43,585) and 2.07 Acres at Dwarakatipuramala (Carrying Amount: 1877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record.
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved	There are no cases of waiver/ write off of debts/loans/interest.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2016-17.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the holding Company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies, a) Where grants are taken as revenue for the year, whether the concerned orders are	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.



	<p>clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provision of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	The Holding Company has accounted for Tax Deducted at Source or Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the holding Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans [with or without government guarantee] and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned</p>	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there is no Public Deposit Account in the name of the Holding Company.



	unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the holding Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly
7.	Whether the land owned by the holding Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory other than stores and spares in FY 2017-18 and reconciled the same with 31st March 2017 after making adjustments for stock movements after 31st March 2017. Discrepancies noted were reduced from the Closing Stock as on 31st March 2017. The details pertaining to deterioration/obsolescence in the quality have not been shared and consequently, we are unable to comment upon the same
9.	Whether the cost incurred on abandoned projects has been written off?	According to the Information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the holding Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of Information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether The holding Company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.






	the relief and rehabilitation of displaced people.	
13.	Whether The holding Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/Ms-KDP/2013 dt 25/05/2016.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2016-17 started in FY 2021-22. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2016-17.
15.	Whether The holding Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether The holding Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Consolidated Ind AS financial statements.

Place: Vijayawada  
Date: 14<sup>th</sup> July 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN : 22227878AMJRJI7786

**Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Balance Sheet**

(Rs. in '000's)

Particulars	Note No	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	3,94,248	2,21,225	1,28,403
Capital work-in-progress	2	29,62,799	-	61,459
Other intangible assets	2	194	421	833
<b>Financial assets</b>				
Investments	3	24,210	27,522	40,410
Loans	4	2,998	20,559	19,037
Other financial assets	5	70,64,845	64,05,618	11,37,262
Deferred tax assets (Net)	6	69,429	7,95,134	3,75,016
Other non-current assets	7	15,31,376	26,86,375	19,23,172
Non-current tax assets (Net)	7.1	7,26,074	7,26,053	3,98,498
<b>Current assets</b>				
Inventories	8	14,52,053	6,11,518	6,65,414
<b>Financial assets</b>				
Trade receivables	9	3,26,167	1,39,610	1,23,806
Cash and cash equivalents	10.1	2,34,508	1,52,923	1,09,043
Other bank balances	10.2	2,93,148	11,57,690	59,89,369
Loans	11	10,01,241	1,056	-
Other financial assets	12	7,68,631	2,38,518	3,32,147
Other current assets	13	9,82,345	15,66,071	79,032
<b>TOTAL ASSETS</b>		<b>1,73,34,267</b>	<b>1,47,50,294</b>	<b>1,13,82,900</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	63,062	63,062	63,062
Other equity	15	1,35,80,913	1,04,16,783	71,36,869
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	16	-	4,776	6,460
Other financial liabilities	17	24,47,061	10,42,555	8,65,459
Provisions	18	46,784	22,29,184	10,95,559
Other non-current liabilities	19	77,570	64,528	4,35,810
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings		-	-	1,50,000
Trade payables	20	2,59,181	83,142	22,707
Other financial liabilities	21	7,93,126	6,14,346	3,29,697
Other current liabilities	22	15,087	1,95,425	9,64,741
Provisions	23	24,023	36,493	12,535
Current tax liabilities	24	27,459	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,73,34,267</b>	<b>1,47,50,294</b>	<b>1,13,82,900</b>

The accompanying notes are an integral part of these consolidated financial statements

**As per our report of even date**

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

*D.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



**Place : Vijayawada**  
**Date : 14<sup>th</sup> July, 2022**

**For and on behalf of the Board of Directors**

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Rama Devi*  
**D. Rama Devi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A



UDIN : 22227878AMYRJ17786

**Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Statement of Profit and Loss for year ended 31-03-2017**

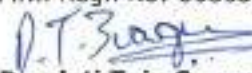
(Rs. in '000's)

Particulars	Note	Year ended 31-03-2017	Year ended 31-03-2016
<b>Income</b>			
Revenue from operations	25	36,57,969	62,90,163
Other income	26	7,04,094	7,25,785
<b>Total (I)</b>		<b>63,62,062</b>	<b>70,16,949</b>
<b>Expenses</b>			
Cost of materials consumed	27	33,333	75,099
Changes in inventories of finished goods	28	(8,42,145)	53,313
Employee benefits expense	29	2,54,791	2,07,257
Finance costs	30	76,447	8,732
Depreciation and amortization expense	31	44,432	37,527
Power and fuel		71,997	75,885
Excavation & transport charges	32	31,73,342	18,59,864
Other expenses	33	5,97,209	5,99,719
<b>Total (II)</b>		<b>34,09,406</b>	<b>28,67,396</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>29,52,657</b>	<b>41,49,553</b>
Add : Exceptional items (Net)	34	21,85,664	-
<b>Profit/(Loss) before tax</b>		<b>51,38,321</b>	<b>41,49,553</b>
Share of profit from joint ventures		(3,302)	(8,503)
<b>Less : Tax expense /(benefit)</b>			
Earlier years		4,976	20,215
Current tax		12,37,965	15,47,408
Deferred tax		7,24,236	(4,11,827)
<b>Total tax expense /(benefit)</b>		<b>19,67,178</b>	<b>11,55,796</b>
<b>Profit/(Loss) from continuing operations</b>		<b>31,67,841</b>	<b>29,85,254</b>
Profit/(Loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit/(Loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the year (A)</b>		<b>31,67,841</b>	<b>29,85,254</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(2,242)	(30,916)
Income tax on above items		(1,468)	8,291
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total Other Comprehensive Income for the year (B)</b>		<b>(3,710)</b>	<b>(31,625)</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>31,64,130</b>	<b>29,53,630</b>
<b>Earnings per equity share (In.Rs)</b>			
[Nominal value of share Rs.1000 /-]		<b>50,234</b>	<b>47,338</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these consolidated financial statements

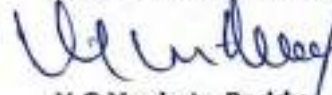
**As per our report of even date**

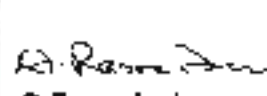
**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878

**Place : Vijayawada**  
**Date : 14<sup>th</sup> July, 2022**

**For and on behalf of the Board of Directors**

  
**V.G.Venkata Reddy**  
VC & MD  
DIN: 08805525

  
**D. Ramadevi**  
Director  
DIN: 08076054

  
**A.Nageswara Reddy**  
General Manager - F&A



UDIN : 22227878 AMYRJ17786

**Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated Statement of Changes in equity for the year ended 31-03-2017**

**A. Equity share capital**

Particulars	No of Shares	(Rs. in '000's)
	Amount	
Balance as at 1st April, 2015	63,062	63,062
Changes in equity share capital during 2015-16	-	-
Balance as at 31st March, 2016	63,062	63,062
Changes in equity share capital during 2016-17	-	-
Balance as at 31st March, 2017	63,062	63,062

**B. Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actuarial Gains/losses reserve	
<b>Balance at the beginning of reporting period - 01-04-2015</b>	<b>22,000</b>	<b>7,094</b>	<b>14,75,316</b>	<b>59,37,535</b>	-	-	<b>74,36,869</b>
Profit for the period for the year	-	-	-	29,85,254	-	-	29,85,254
Other comprehensive income for the year	-	-	-	-	15,657	(34,259)	(31,625)
Total comprehensive income for the year	-	-	-	29,85,254	(5,657)	(14,259)	29,51,630
Transfer to reserve for bad and doubtful debts	-	905	-	(906)	-	-	-
Transfer to general reserve	-	-	4,23,069	(2,23,069)	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(26,514)	-	34,801	-
Portion of share capital allotted to Telangana region	-	-	26,284	-	-	-	26,284
<b>Balance at the end of reporting period - 31-03-2016</b>	<b>22,000</b>	<b>8,000</b>	<b>17,24,670</b>	<b>86,72,305</b>	<b>(5,657)</b>	<b>942</b>	<b>1,04,16,783</b>
Profit for the year	-	-	-	31,67,841	-	(2,242)	31,67,841
Other comprehensive income for the year	-	-	-	-	-	(1,468)	(3,710)
Total comprehensive income for the year	-	-	-	31,67,841	-	(2,242)	31,64,139
Transfer to reserve for bad and doubtful debts	-	10,690	-	(10,690)	-	-	-
Transfer to general reserve	-	-	-	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(6,422)	-	4,951	-
<b>Balance at the end of reporting period - 31-03-2017</b>	<b>22,000</b>	<b>18,689</b>	<b>17,24,670</b>	<b>1,10,23,030</b>	<b>(5,657)</b>	<b>3,251</b>	<b>1,35,80,913</b>





**Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Cash flow statement for the year ended 31-03-2017**

(Rs. in '000's)

Particulars	31-03-2017	31-03-2016
Profit before tax from continuing operations	51,35,018	41,41,050
<b>Adjustments for</b>		
Interest expense	76,447	8,732
Interest income	(6,36,004)	(6,54,089)
Dividend income	-	-
Depreciation/amortization on continuing operations	44,432	37,527
Loans & advances written off	-	89
Bad & doubtful debts	41,922	20,137
Assets written off	45	2
Loss/(profit) on sale of fixed assets	-	(9)
Provision for diminution in value of investments	3,312	7,231
Remeasurement of defined benefit plans	(2,242)	(34,259)
<b>Operating profit before working capital changes</b>	<b>46,62,931</b>	<b>35,26,412</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	1,71,263	58,750
Increase/(decrease) in provisions	(21,70,675)	11,54,546
Increase/(decrease) in other financial liabilities	15,80,009	4,64,910
Increase/(decrease) in other liabilities	(1,67,296)	(11,14,315)
Decrease/(increase) in trade receivables	(2,28,479)	(35,942)
Decrease/(increase) in inventories	(8,40,535)	53,896
Decrease/(increase) in other assets	2,89,491	(24,03,890)
Decrease/(increase) in other financial assets	(6,50,372)	(51,59,703)
Decrease/(increase) in other bank balances (current)	8,64,542	48,31,679
Decrease/(increase) in loans	(9,82,623)	(2,667)
<b>Cash generated from operations</b>	<b>25,28,257</b>	<b>13,73,677</b>
Direct taxes paid (net of refunds)	12,42,962	18,95,177
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,85,294</b>	<b>(5,21,500)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and Capital advances	(17,30,839)	85,167
Proceeds from sale of fixed assets	-	9
Interest received	5,97,036	6,39,064
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(11,33,803)</b>	<b>7,24,240</b>
Proceeds from borrowings	-	(1,50,000)
Interest paid	(69,906)	(8,860)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(69,906)</b>	<b>(1,58,860)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	81,585	43,880
Cash and cash equivalents at the beginning of the year	1,52,923	1,09,043
<b>Cash and cash equivalents at the end of the year</b>	<b>2,34,508</b>	<b>1,52,923</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	89	143
With banks accounts	2,34,420	1,52,780
<b>Total cash and cash equivalents (Note 10)</b>	<b>2,34,508</b>	<b>1,52,923</b>

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325

*P.T. Sagar*

**Dondeti Teja Sagar**  
Partner  
Mem No.227878

Place: Vijayawada  
Date : 14<sup>th</sup> July, 2022

UDIN : 22227878 AMYRJ17786

For and on behalf of the Board of  
Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
D. Ramadevi  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A





## **APMDC LIMITED**

### **Notes forming part of the Consolidated Financial Statements**

#### **1. Corporate Information**

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

#### **1.1 Significant Accounting Policies**

##### **a. Statement of Compliance**

For all the periods up to and including the year ended March 31, 2016 the Group prepared its financial statements in accordance with Generally Accepted Accounting Principles (Indian GAAP) and complied with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and the presentation requirements of Companies Act, 2013.

Pursuant to the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (hereinafter referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended and relevant provisions of the Companies Act, 2013 with effect from April 1, 2016. The consolidated financial statements for the year ended 31<sup>st</sup> March 2017 are the first financial statements of the Company prepared in accordance with Ind AS.

The transition to Ind AS was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The date of transition to Ind AS is April 1, 2015. Previous periods have been restated to Ind AS.

##### **b. Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



**c. Basis of consolidation**

The Consolidated Financial Statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- ii) In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- iii) An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- iv) A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- v) Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- vi) The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.



**d. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**e. Use of estimates and judgement**

The preparation of Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Information about critical estimates, judgements or assumptions in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and/or the notes to the financial statements. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities.

**f. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.



A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

#### **g. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

##### **i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of excise duty but net of other taxes collected on behalf of third parties.

##### **ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect and service taxes

##### **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

##### **iv. Interest Income**

Interest Income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset.



While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **h. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Group's past experiences.

Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.





Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

**i. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The Intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April, 2015 (transition date) measured as per the previously applicable Indian GAAP and use that carrying value as its deemed cost as at transition date.

**j. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



**k. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**l. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**m. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads.

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

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.



## **n. Employee benefits**

### **Short term employee benefit obligations**

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

### **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

### **Post-employment obligation**

The Group operates the following post-employment schemes

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

### **Defined Benefit Plan**

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

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



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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **o. Taxes on Income**

Income tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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



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

**p. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**q. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.





As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans.

In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed.

Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.



**r. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

**s. Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

**t. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**u. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.



**v. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**w. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**x. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**y. Financial instruments**

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



Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.



In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

#### **iv. De-recognition of financial assets**

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

#### **Financial liabilities - Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

#### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.





**z. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**aa. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**ab. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ac. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:



- It is probable that the future economic benefits (Improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment for the year ended 31.03.2016**

**Note - 2**

Particulars	Deemed Cost as at 01.04.2015	Additions	Disposals/ adjustments	Cost as at 31.03.2016	Depreciation For the Year	Accumulated Depreciation as at 31.03.2016	Rs. in '000's	
							Net carrying amount as at 31.03.2016	Net carrying amount as at 31.03.2016
Free hold land	30,120	52,335	-	82,455	-	-	82,455	82,455
Buildings	24,290	2,351	-	26,641	3,833	3,833	22,809	22,809
Plant and Machinery	28,853	65,566	2	94,417	11,532	11,532	82,885	82,885
Furniture & Fixtures	1,786	768	-	2,553	735	735	1,818	1,818
Vehicles	5,398	758	-	6,156	2,471	2,471	3,685	3,685
Office Equipment	2,339	1,408	-	3,827	1,863	1,863	1,964	1,964
Mining and Equipment	28,311	731	-	29,042	10,089	10,089	18,953	18,953
Data Processing Equipment (Co)	1,906	5,789	-	7,695	3,143	3,143	4,552	4,552
Library	0	-	-	-	-	-	-	-
Tent & Huts	10	27	-	37	22	22	15	15
Lease hold improvements	3,230	-	-	3,230	3,230	3,230	-	-
Mining property	1,976	-	-	1,976	77	77	1,900	1,900
<b>Total</b>	<b>1,28,403</b>	<b>1,29,819</b>	<b>2</b>	<b>2,58,219</b>	<b>36,994</b>	<b>36,994</b>	<b>2,21,225</b>	<b>2,21,225</b>
<b>Capital Work In progress</b>	<b>61,459</b>	<b>-</b>	<b>61,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Deemed Cost as at 01.04.2015	Additions	Disposals/ adjustments	Cost as at 31.03.2016	Depreciation For the Year	Accumulated Depreciation as at 31.03.2016	Rs. in '000's	
							Net carrying amount as at 31.03.2016	Net carrying amount as at 31.03.2016
Computer Software	833	121	-	954	533	533	421	421
<b>Total</b>	<b>833</b>	<b>121</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>533</b>	<b>421</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment for the year ended 31-03-2017**

**Note -2**

Particulars	Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	Accumulated Depreciation as at 31.03.2016	Depreciation For the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2017	Net carrying amount as at 31.03.2017	Net carrying amount as at 31.03.2016
Free hold land	82,455	1,45,497	-	2,27,947	3,833	3,363	-	7,184	2,27,947	82,455
Buildings	26,611	4,134	33	31,042	11,514	18,207	11	29,739	23,857	22,803
Plant and machinery	94,417	17,483	3	1,11,897	735	703	11	1,426	82,157	82,885
Furniture & fixtures	2,353	753	30	3,276	2,471	1,962	-	4,432	1,850	1,818
Vehicles	6,156	2,985	-	9,141	1,653	1,573	9	3,425	4,708	3,685
Office equipment	3,827	2,308	14	6,123	10,094	17,761	-	27,852	2,697	1,964
Mining and equipment	29,232	36,805	-	66,036	3,143	4,375	-	7,518	43,184	19,147
Data processing equipment	7,695	4,117	-	11,812	22	1,195	-	1,216	4,294	4,552
Tent & huts	37	2,897	-	2,934	5,230	-	-	3,230	1,718	15
Lease hold improvements	3,230	-	-	3,230	77	66	-	142	1,854	1,920
Mining property	1,976	-	-	1,976	-	-	-	-	-	-
<b>Total</b>	<b>2,58,219</b>	<b>2,17,273</b>	<b>78</b>	<b>4,75,414</b>	<b>36,994</b>	<b>44,206</b>	<b>33</b>	<b>81,156</b>	<b>3,31,248</b>	<b>2,21,215</b>
<b>Capital Work in progress</b>	<b>-</b>	<b>25,47,759</b>	<b>-</b>	<b>25,47,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,47,759</b>	<b>-</b>
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Particulars	Cost as at 01.04.2016	Additions	Disposals/ adjustments	Cost as at 31.03.2017	Accumulated Depreciation as at 31.03.2016	Depreciation For the Year	Disposal / Adjustments	Accumulated Depreciation as at 31.03.2017	Net carrying amount as at 31.03.2017	Net carrying amount as at 31.03.2016
Computer software	954	-	-	954	533	226	-	760	194	421
<b>Total</b>	<b>954</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>533</b>	<b>226</b>	<b>-</b>	<b>760</b>	<b>194</b>	<b>421</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended 31-03-2017**

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	(Rs. in '000's)		
Non-current Investments	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Unquoted equity instruments - Investments measured at cost</b>			
<b>Investment in subsidiary companies</b>			
i. M/s APMDCL - SSSI Salyan coa. company ltd 5,100 Shares allotted of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	51 (51)	51 (51)	51 (51)
ii. M/s Ruzgaon coa. company ltd 3,000 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	3,957 (5,957)	3,957 (5,957)	300 (300)
iii. M/s.Dantodhara Minerals (P) Ltd. 18,921 equity Shares of Rs.10/- each fully Paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
iv. M/s.ONGOLE Iron Ore Mining Company Pvt. Ltd 56,100 Equity Shares Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
<b>Investment in Joint Venture</b>			
v. M/S. Aswan Mineral Development (P) Ltd. 65,300 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
vi. M/S SRAP Mineral (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
vii. M/s. Ashani Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
viii. M/s Isra Minerals Exports (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
ix. M/s. Mangalore Granites (P) Ltd 1,30,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
x. M/s. Ongole Minerals Exports (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xi. M/s. RLP Granites (P) Ltd 3,25,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
xii. M/s A.P.Granites (Midwest) P Ltd 21,00,000 equity shares of Rs.10/- each fully paid up	21,410	21,146	26,194
xiii. M/s Alliance A.P. Black Galaxy Granites (P) Ltd 11,00,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
xiv. M/s Patana Red Granites (P) Ltd 11,00,000 equity shares of Rs.100/- each fully paid up	1,174	8,040	14,195
xv. M/s. A.P.Coastal sands & Minerals Pvt Ltd, 13,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)	130 (130)
xvi. M/s Simpex AP Barytes Sanitization (P) Ltd 1,320 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
xvii. M/s Andhra Baryte Corporation (P) Ltd 8,52,500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)
xviii. M/s Andhra Pradesh Iron Ore Company Ltd 69 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)	69 (69)
xix. M/s.Tanaka Barco Private Ltd 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)	4,500 (4,500)





ix. M/s.V.V. Minerals (P) Ltd 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)	110 (110)
xxi. M/s. Andhra Pradesh Paper Mills 1,110 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1,110 (1,110)	1,110 (1,110)	1,110 (1,110)
xxii. M/S.Andhra Pradesh Paper Mills (P) Ltd 28,600 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	286 (286)	286 (286)	286 (286)
<b>Investments measured at amortised cost</b>			
<b>Investment in Government Securities (unquoted)</b>	7,118	7,128	7,113
Less: Provision made for doubtful investment	(7,092)	(7,092)	(7,092)
	<b>1,210</b>	<b>27,522</b>	<b>40,410</b>

Aggregate amount of quoted investments - Market value

Aggregate amount of quoted investments - Book value

Aggregate amount of unquoted investments

Aggregate provision for diminution in value of investments

Aggregate Provision made for doubtful investment

4	Loans (Non-current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Security Deposits</b>			
	Unsecured, considered good	-	18,293	16,052
	Doubtful	3,274	754	-
	Less: Provision for doubtful debts	(3,274)	(754)	-
	<b>Vehicle loans to staff</b>			
	Secured considered good	2,063	1,630	1,519
	Unsecured and considered good	-	-	-
	<b>Other Loans to staff</b>			
	Unsecured, considered good	314	536	1,466
	Doubtful	10	-	-
	Less: Provision for doubtful items	(10)	-	-
	<b>Total</b>	<b>2,998</b>	<b>20,559</b>	<b>19,037</b>

5	Other Financial Assets (Non-Current)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	Balance in current accounts (Frozen)	5,779	6,119	-
	Long term bank deposits	55,31,278	63,39,073	11,23,109
	Balance in post office savings account	4,042	4,042	4,046
	Less: Provision for impairment	(3,990)	-	-
	Fixed deposits	65,742	56,389	-
	Advance recoverable in cash	-	-	10,106
	<b>Total</b>	<b>70,64,845</b>	<b>64,05,618</b>	<b>11,37,261</b>

6	Deferred tax asset (Net)	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Deferred tax liability</b>			
	Property, plant & equipment	-	5,414	10,111
	Investment	5,076	5,076	5,076
	<b>Gross deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,187</b>
	<b>Deferred tax asset</b>			
	Property, plant & equipment	6,382	-	-
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	3,724	1,830	5,708
	Provision for decommissioning costs	16,191	15,062	14,417
	Provision for grouping activity adjustment	-	7,56,415	1,65,140
	Provision for bad & doubtful debts, investments & advances	42,207	32,318	6,029
	<b>Gross Deferred tax asset</b>	<b>74,505</b>	<b>8,05,624</b>	<b>3,90,293</b>
	<b>Net deferred tax liability/(asset)</b>	<b>(19,429)</b>	<b>(7,95,134)</b>	<b>(3,75,016)</b>



7	<b>Other Non-current assets</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>A) Capital advances</b>			
	Secured and considered good	-	-	-
	Unsecured and considered good	2,39,616	16,88,849	18,42,496
	Doubtful	26,093	26,073	-
	Provision for doubtful advances	(26,003)	(26,023)	-
		<b>2,39,616</b>	<b>16,88,849</b>	<b>18,42,496</b>
	<b>B) Advances other than capital advances</b>			
	i) Advances to related parties	-	-	-
	ii) Other advances	-	-	-
	Secured good	-	-	-
	Unsecured, considered good	1,14,005	5,95,950	45,035
	Doubtful	22,160	22,927	165
	Less: Provision for doubtful items	(22,160)	(22,927)	(133)
		<b>9,04,805</b>	<b>5,96,950</b>	<b>45,068</b>
	<b>C) Others</b>			
	Balance with statutory Authorities	-	-	-
	Secured, considered good	-	-	-
	Unsecured, considered good	3,36,755	4,00,576	38,607
	Doubtful	6,052	937	-
	Provision Expense	-	-	-
	Less: Provision for doubtful items	(6,052)	(937)	-
		<b>3,86,856</b>	<b>4,00,576</b>	<b>38,607</b>
	<b>Total</b>	<b>16,31,376</b>	<b>26,86,375</b>	<b>19,23,172</b>
7.1	<b>Non current tax assets (Net)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Advance tax</b>			
	Corporate tax receivable	7,26,053	7,26,353	67,756
	Tax collected at source	21	-	5
	Tax deducted at source	-	-	3,30,734
	Advance payment of tax	-	-	-
	<b>Total</b>	<b>7,26,074</b>	<b>7,26,353</b>	<b>3,98,496</b>
8	<b>Inventories</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Finished Goods	1,15,639	6,03,493	6,56,837
	Less: Provision made	(799)	-	-
	Stores and spares - at cost	7,213	8,024	8,607
	<b>Total</b>	<b>14,52,053</b>	<b>6,11,518</b>	<b>6,65,444</b>
9	<b>Trade receivables (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Secured, considered good	-	-	-
	Unsecured, considered good	3,26,167	1,39,510	1,23,606
	Doubtful	46,283	28,596	2,449
	Less: Provision for doubtful debts	(46,283)	(28,596)	(5,449)
	<b>Total</b>	<b>3,26,167</b>	<b>1,39,510</b>	<b>1,23,606</b>
10	<b>Cash and cash equivalents</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
10.1	<b>Cash and cash equivalents</b>			
	Balances with banks:			
	In current accounts	2,34,420	1,52,700	1,08,934
	Cash on hand	80	143	109
	(A)	<b>2,34,508</b>	<b>1,52,923</b>	<b>1,09,043</b>
10.2	<b>Other bank balances</b>			
	In sweep accounts	1,93,148	11,57,690	1,70,800
	Fixed deposits with maturity >3 months but <12 months	-	-	58,58,560
	(B)	<b>2,93,148</b>	<b>11,57,690</b>	<b>59,89,369</b>
	<b>Total</b>	<b>5,27,657</b>	<b>13,10,613</b>	<b>60,88,412</b>



11	<b>Loans (current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Unsecured, considered good			
	Vehicle loans to staff	897	783	-
	Short term loan in AP state fuelnet Ltd - Refer note no.42 (n)	10,00,000	-	-
	Other loans to staff	344	754	-
	<b>Total</b>	<b>10,81,241</b>	<b>2,055</b>	<b>-</b>
12	<b>Other financial assets (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Deposits with others	54	-	57
	Advances receivable in cash			
	Insured, considered good	267	227	1,11,517
	Doubtful			-
	Interest receivable	2,72,853	2,33,884	2,16,050
	Less: Provision made	(4,535)	-	-
	Insurance claim receivable		7	-
	Dividend Receivable		4,410	1,320
	<b>Total</b>	<b>2,68,631</b>	<b>2,38,518</b>	<b>3,32,147</b>
13	<b>Other assets (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>A) Advances recoverable</b>			
	i) Advances to related parties	-	-	-
	ii) Other advances	-	-	-
	Secured and good			
	Unsecured and considered good	63,174	15,55,459	52,369
	Doubtful	-	-	-
	Less: Provision for doubtful debts	-	-	-
		<b>63,174</b>	<b>15,55,459</b>	<b>52,368</b>
	<b>B) Others - Specified</b>			
	Balance with statutory authorities	8,93,447	766	73,219
	Prepaid expenses	5,734	9,316	3,444
	<b>Total</b>	<b>9,82,345</b>	<b>15,66,071</b>	<b>79,032</b>
14	<b>Share capital</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	<b>Authorised share capital:</b>			
	10000 equity shares of Rs.1000/- each	1,00,000	1,00,000	1,00,000
	(Previous year: 100000 equity shares of Rs.1000/- each)	<b>1,00,000</b>	<b>1,00,000</b>	<b>1,00,000</b>
	<b>Issued, subscribed and fully paid up share Capital:</b>			
	63,062 equity shares of Rs.1000/- each fully paid up in cash	63,062	63,062	63,062
	(Previous year: 63,062 equity shares of Rs.1000/- each)	<b>63,062</b>	<b>63,062</b>	<b>63,062</b>
<b>Additional notes</b>				
<b>14.1</b>				
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>				
	<b>Particulars</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	
	Shares outstanding at the beginning of the year	63,062	63,062	
	Shares issued during the year	-	-	
	Shares outstanding at the end of the year	<b>63,062</b>	<b>63,062</b>	
<b>14.2</b>				
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holder of equity share will be entitled to receive remaining assets of the company, after disbursement of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.				
<b>14.3</b>				
<b>The details of shares in the Company held by each shareholder holding more than 5% shares</b>				
	<b>Name of the share holder</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	
	Governor of the Andhra Pradesh represented by Assistant Secretary	63,059 (100%)	63,059 (100%)	
	to Government ( Mines) Industries & Commerce department			



15	Other equity	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
	<b>Capital Reserves</b>			
	<b>FREE REDE EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH ALLOTTED BY</b>			
	i) M/s. Ooroonam Minerals Pvt. Ltd. 18921 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	189 (189)	189 (189)	189 (189)
	ii) M/s. Aswari Mineral Development Pvt. Ltd. 650 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	650 (650)	650 (650)	650 (650)
	iii) M/s. SRAP Minerals (P) Ltd. 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
	iv) Arham Minerals Exports (P) Ltd. 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
	v) Tera Minerals Exports (P) Ltd. 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
	vi) Mangashree Granites (P) Ltd. 13000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1,300 (1,300)	1,300 (1,300)	1,300 (1,300)
	vii) Onqine Minerals Exports (P) Ltd. 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
	viii) RLP Granites (P) Ltd. 32500 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)	3,250 (3,250)
	ix) M/s. A.P. Granite (Kalyani) P. Ltd. 11000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
	x) M/s. Alliance A.P. Black Galaxy Granites (P) Ltd. 11000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)	11,000 (11,000)
	xi) M/s. Pallava Red Granites (P) Ltd. 11000 equity shares of Rs.10/- each fully paid up	11,000	11,000	11,000
	xii) M/s. A.P. Coastal sands & Metals Pvt. Ltd., 120 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	120 (120)	120 (120)	120 (120)
	xiii) M/s. Grade Iron Ore Mining Company Pvt. Ltd. 561 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)	561 (561)
	xiv) M/s. Girdex AP Barites Beneficial (P) Ltd. 13 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)	13 (13)
	xv) M/s. Andhra Barite Corporation (P) Ltd. 8525 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)	8,525 (8,525)



xvi. M/s Andhra Pradesh Iron Ore Company Ltd 6,950 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)	69 (69)
xvii. M/s Trimex Bante Private Ltd 4,50,000 equity shares of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)	4,500 (4,500)
xviii. M/s. V.V. Minerals (P) Ltd 1,100 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)	110 (110)
<b>Other comprehensive income reserve</b>			
Balance as per last financial statements	110,191	15,076	-
Other comprehensive income for the year	(3,710)	(51,625)	(5,076)
<b>Add/(Less): Transferred from/(to) retained earnings</b>	6,426	26,510	-
<b>Closing balance</b>	<b>(7,482)</b>	<b>(10,191)</b>	<b>(5,076)</b>
<b>Reserve for bad and doubtful debts</b>			
Balance as per the last financial statements	6,000	7,094	4,441
Add/(Less): Transferred from/to profit and loss account	10,600	906	2,153
<b>Closing balance</b>	<b>16,600</b>	<b>8,000</b>	<b>7,094</b>
<b>General Reserve</b>			
Balance as per the last financial statements	16,70,878	14,75,316	8,86,728
(Less): Depreciation adjustment	-	-	(5,514)
Add/(Less): Portion of share capital allotted to Telangana region	-	26,284	(26,284)
Add/Transfer from profit & loss account	-	2,21,069	88,846
Add/(Less): Ind AS adjustments	-	-	5,41,336
Deferred tax thereon	-	-	-
<b>Closing balance</b>	<b>16,70,878</b>	<b>17,24,670</b>	<b>14,75,316</b>
<b>Surplus/(Deficit) in the statement of profit and loss</b>			
Balance as per the last financial statements	81,79,822	59,17,505	51,58,972
Profit for the year	35,59,115	79,85,254	8,60,482
Add: Transfer from other comprehensive income	-	-	-
<b>Less: Appropriations</b>			
Transferred from/to other comprehensive income	5,420	26,510	2,153
Reserve for bad and doubtful debts	11,630	906	88,846
Transfer to general reserve	-	2,23,069	15,706
Interim dividend	-	-	1,152
Tax on interim dividend	-	-	-
Total appropriations	17,109	3,50,485	1,09,919
<b>Net surplus in statement of profit and loss</b>	<b>1,10,20,828</b>	<b>86,72,305</b>	<b>59,37,535</b>
<b>Total reserves and surplus taken to balance sheet</b>	<b>1,35,80,913</b>	<b>1,04,16,793</b>	<b>74,36,869</b>

16	<b>Trade payables</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Due to others	-	4,776	6,460
	<b>Total</b>	<b>-</b>	<b>4,776</b>	<b>6,460</b>

17	<b>Other financial liabilities (Non-Current)</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>	<b>01-04-2015</b>
	Relating to employees	-	-	178
	Amounts payable to Govt. of India	-	-	1,500
	Expenses payable against infrastructure development	8,500	1,89,378	1,75,666
	Others	2,68,071	4,38,745	6,911
	Deposits	10,490	6,861	1,97,531
	Interest payable	-	1,87,571	4,83,653
	<b>Total</b>	<b>24,47,061</b>	<b>10,42,555</b>	<b>8,65,459</b>





18	<b>Provisions (Non-current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for Others:			
	Provision for sampling activity adjustment	-	21,85,664	10,55,075
	Provision for decommissioning cost	46,784	41,523	40,484
	<b>Total</b>	<b>46,784</b>	<b>22,29,184</b>	<b>10,95,559</b>
19	<b>Other Non-current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	156	3,57,699
	Statutory liabilities	77,570	64,177	77,570
	Royalties payable	-	-	342
	<b>Total</b>	<b>77,570</b>	<b>64,333</b>	<b>4,35,610</b>
20	<b>Trade payables (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Trade payables			
	Due to MSMED parties	-	-	-
	Due to others	2,59,181	83,142	27,767
	<b>Total</b>	<b>2,59,181</b>	<b>83,142</b>	<b>27,767</b>
	Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the companies and the reduced disclosures are given below:			
	<b>Due to small and medium enterprises</b>	<b>As at March 31, 2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	a) Principal amount and interest due thereon	-	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-	-
	Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.			
21	<b>Other financial liabilities (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Salaries & other benefits payable	23,353	42,679	63,490
	Expenses payable against infrastructure development	-	-	18,594
	Deposits	7,83,678	4,33,104	51,369
	Interest payable	-	3,277	153
	Other payables	4,86,096	1,35,206	1,78,032
	<b>Total</b>	<b>7,93,127</b>	<b>6,14,346</b>	<b>3,29,697</b>
22	<b>Other current liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Revenue received in advance	-	1,65,103	9,45,402
	Statutory liabilities	15,087	30,823	19,339
	<b>Total</b>	<b>15,087</b>	<b>1,95,926</b>	<b>9,64,741</b>
23	<b>Provisions (Current)</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for employee benefits:			
	Provision for gratuity	9,716	10,196	4,339
	Provision for leave benefits	14,905	18,296	8,227
	<b>Total</b>	<b>24,621</b>	<b>28,492</b>	<b>12,566</b>
24	<b>Current tax liabilities</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>	<b>As at 01-04-2015</b>
	Provision for income tax	27,459	-	-
	<b>Total</b>	<b>27,459</b>	<b>-</b>	<b>-</b>



**Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated profit and loss account for the year ended 31-03-2017**

(Rs. in '000's)

25	<b>Revenue from operations</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Sale of products	54,60,532	61,39,617
	Other operating revenue	1,97,437	1,50,546
	<b>Total</b>	<b>56,57,969</b>	<b>62,90,163</b>
26	<b>Other income</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Interest on fixed deposits	4,14,042	4,54,665
	Interest on fixed deposits kept for BG	11,270	9,548
	Interest on sweep a/c- AB somajiguda	1,51,886	1,29,447
	Interest on sweep a/c- SBI, khamatabad	4,351	4,769
	Interest on electricity deposits	766	713
	Interest on FDR BGs without lien	53,461	54,632
	Interest on Investments - NSC bonds	4	62
	Interest on postal saving bank account	6	-
	Interest on loans to staff	718	752
	Other interest receipts	17,318	4,352
	Other (Miscellaneous) Income	13,295	9,907
	Rent receipts	654	1,472
	Forfeiture of security deposit	467	33,689
	Penalty on RQM/OB	-	1,593
	Penalty on buyers/millers	28,679	-
	Sale of tender documents	899	1,378
	Profit on sale of assets	-	9
	Sale of scrap	36	-
	Freight & insurance on despatches	376	172
	Excess provision written back	6,371	20,125
	<b>Total</b>	<b>7,04,094</b>	<b>7,26,785</b>
27	<b>Cost of materials consumed</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Consumption of packing material	33,333	25,098
	<b>Total</b>	<b>33,333</b>	<b>25,098</b>
28	<b>Changes in inventories of finished goods</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	a) Opening stock of finished goods	6,03,494	6,56,807
	<b>Total</b>	<b>6,03,494</b>	<b>6,56,807</b>
	b) Closing stock of Finished Goods	14,45,639	6,03,494
	<b>Total</b>	<b>14,45,639</b>	<b>6,03,494</b>
	<b>Changes in inventories of finished goods</b>	<b>(8,42,145)</b>	<b>53,313</b>



29	<b>Employee benefit expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Salaries and wages	1,70,364	1,43,428
	Bonus	13,601	14,372
	Employer's contribution to PF and other funds	26,798	12,751
	Staff welfare and other expenses	35,494	32,560
	Salary to VC & MD	998	1,093
	Leave encashment	7,535	3,053
	<b>Total</b>	<b>2,54,791</b>	<b>2,07,257</b>
30	<b>Finance costs</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Interest expense	-	5,696
	Int. payment against advance (Barytes Customers)	73,183	-
	Unwinding of discounting of provision for decommissioning	3,264	3,036
	<b>Total</b>	<b>76,447</b>	<b>8,732</b>
31	<b>Depreciation and amortization expense</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Depreciation of tangible assets	44,206	36,994
	Amortization of intangible assets	226	533
	<b>Total</b>	<b>44,432</b>	<b>37,527</b>
32	<b>Excavation &amp; transport charges</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Excavation & transport charges for ROM	4,01,145	2,54,638
	Excavation & transport charges for overburden	27,72,197	16,05,276
	<b>Total</b>	<b>31,73,342</b>	<b>18,59,864</b>
33	<b>Other expenses</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31- 03-2016</b>
	Rents	10,390	8,940
	Repairs & maintenance	13,296	10,858
	Insurance	667	536
	Rates and taxes	21,652	26,001
	<b>Other expenses</b>		
	Operating expenses	1,60,825	55,988
	Royalty & other levies	7,165	13,315
	Selling expenses	74,007	41,932
	Prospecting & mining lease expenses	16,199	46,477
	Travelling & conveyance charges	-	12,161
	Office & general expenses	73,168	2,71,602
	Audit fee for statutory auditors	500	635
	Audit fee for other auditors	506	530
	Expenses to auditors	129	223
	Printing & stationery	3,147	7,651
	Postage, telegrams & telephones	4,987	2,579
	Corporate social responsibility expenses	19,160	11,113
	Remuneration to out sourced services	1,33,883	-
	Bad & doubtful debts (expenses)	41,922	20,137
	Bad & doubtful advances (Provision)	-	50,168
	Bad & doubtful investments (Provision)	4,502	-
	Provision for non moving stock	799	-
	Fixed assets written off	45	2
	Other assets written off	-	16,762
	Data processing charges	3,241	-
	Loss in transit	2,548	-
	Rehabilitation expenses	4,470	-
	Loans & advances written off	-	89
	<b>Total</b>	<b>5,97,209</b>	<b>5,98,719</b>



<b>Payment to Auditors</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
Statutory audit fee	500	535
<b>Total</b>	<b>500</b>	<b>635</b>

<b>34</b>	<b>Exceptional Items (Net)</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
	Provision for stripping adjustment no longer required	21,85,664	-
	<b>Total</b>	<b>21,85,664</b>	<b>-</b>

During the year ended March 31, 2017, the company has reversed provision held for "excavation and transport charges payable on over burden on shortfall as per stripping ratio as per mining plan" amounting to Rs.218.56 crores. The reversal of provision was on account of change in mining plan and corresponding change in estimate of stripping ratio. The modified mining plan was approved by deputy director of mines and geology, Kadapa region on 25-05-2016. Due to change in stripping ratio as per the mining plan the provision for stripping ratio created in previous years was no longer required and written back in financial year 2016-17.

**Other comprehensive income**

<b>Items that will not be reclassified to P&amp;L</b>	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>Remeasurement of Defined Benefit Plan Loss/Gain</b>		
Gratuity	(1,489)	(23,197)
Leave encashment	(3,462)	(11,604)
Gratuity plan asset OCI	2,490	325
Leave encashment plan asset OCI	210	217
Increase/Decrease in fair value of investments	-	(5,657)
Deferred tax on above items	(1,468)	8,291
<b>Total</b>	<b>(3,710)</b>	<b>(31,625)</b>



**35.Contingent liabilities and Commitments**

(To the extent not provided for)

(Rupees in '000's)

Sl. no	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>A.</b>	<b>Claims against the company not acknowledged as debts consisting of:</b>			
<b>i.</b>	Against the cases pending with Money suits and arbitration.	9,80,785	8,41,615	4,70,591
<b>ii.</b>	Demand raised by Income Tax authorities which has been disputed and pending before Appellate authorities.	4,34,315	68,749	1,18,505
<b>iii.</b>	Capital Commitment towards Chimakurthy Black Galaxy Granite Project- Land towards Consideration of land admeasuring to 266.86 acres for Patta land at Chimakurthy belonging to Animal Husbandry Department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196	62,196
<b>iv.</b>	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000	





v.	<p>The Corporation is contributing MRTU Fund as per G.O.RT No 237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the Income Tax authorities disallowed the amount. The Government created a Trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p> <p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05.</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13</p>			
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	and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.			
c.	It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.			
d.	The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.			
e.	And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.			
	i) Aggregate till end of the Previous year	31,31,209	25,17,193	23,97,218
	ii) For the year(net off payment)	5,55,796	6,19,016	1,14,975
vi.	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	47,180	1,73,545



<b>B.</b>	<b>Contingent liability on BG's:</b>			
i.	Bank Guarantees furnished to different Departments on behalf of the company	63,00,000	6,50,209	19,44,328

**\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and remaining un paid are as follows, (Rupees in 000's)**

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Expl.	441	153	287
1999-00	Expl.	429	92	336
2000-01	Expl.	678	169	508
2002-03	Expl	-	432	-
2003-04	Expl	-	50	-
2004-05	Expl	301	301	-
2005-06	Expl	4,515	4,515	-
2006-07	Expl	5,039	5,039	-
2007-08	Expl	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Expl & Consi.	20,044	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	3,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,160</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,601	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



**Andhra Pradesh Mineral Development Corporation Limited**

**35 Classification of financial instruments**

**4.** Classification of financial liabilities and financial assets are classified in accordance with the accounting policies.

**As at 31st March, 2017**

(Rs. In. '000')

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments designated at amortised cost</b>						
Non current investments	3	-	-	24,210	-	24,210
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	10,04,238	-	10,04,238
Trade receivables	5	-	-	1,26,167	-	1,26,167
Cash and Cash equivalents	10.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	12.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	5	-	-	73,567	-	73,567
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	69,91,332	-	69,91,332
Advances to staff	12	-	-	263	-	263
Interest receivable	12	-	-	2,68,314	-	2,68,314
Insurance claim receivable	12	-	-	-	-	-
		-	-	92,15,749	-	92,15,749
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	2,59,181	2,59,181
<b>Other financial liabilities</b>						
Relating to Employees	17 & 21	-	-	-	23,353	23,353
Expenses payable against Infrastructure Development	17 & 21	-	-	-	68,500	68,500
Others	17 & 21	-	-	-	28,54,167	28,54,167
Deposits	17 & 21	-	-	-	2,94,168	2,94,168
Interest Payable	17 & 21	-	-	-	-	-
		-	-	-	34,96,369	34,96,369

**As at 31st March, 2016**

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non current investments	3	-	-	27,522	-	27,522
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	21,615	-	21,615
Trade receivables	9	-	-	1,39,610	-	1,39,610
Cash and Cash equivalents	10.1	-	-	1,57,923	-	1,57,923
Bank balances other than above	12.2	-	-	11,57,690	-	11,57,690
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	66,545	-	66,545
Advance recoverable in cash	5 & 12	-	-	-	-	-
Deposit with others	5 & 12	-	-	63,39,073	-	63,39,073
Advances to staff	12	-	-	227	-	227
Interest receivable	12	-	-	2,33,884	-	2,33,884
Insurance claim receivable	12	-	-	-	-	-
		-	-	81,39,097	-	81,39,097
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	16 & 20	-	-	-	87,918	87,918
<b>Other financial liabilities</b>						
Relating to employees	17 & 21	-	-	-	42,679	42,679
Expenses payable against infrastructure development	17 & 21	-	-	-	1,89,378	1,89,378
Others	17 & 21	-	-	-	5,73,951	5,73,951
Deposits	17 & 21	-	-	-	4,40,045	4,40,045
Interest payable	17 & 21	-	-	-	4,10,848	4,10,848
		-	-	-	17,44,819	17,44,819



As at 1st April, 2015

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial instruments measured at fair value</b>						
Non Current investments	3	-	-	40,410	-	40,410
<b>Financial assets not measured at fair value</b>						
Loans	4 & 11	-	-	19,037	-	19,037
Trade receivables	9	-	-	1,23,806	-	1,23,806
Cash and Cash equivalents	10.1	-	-	1,09,043	-	1,09,043
Bank balances other than above	10.2	-	-	59,69,366	-	59,69,366
<b>Other Financial assets</b>						
Balances with banks and post office	5	-	-	4,046	-	4,046
Advance recoverable in cash	5 & 12	-	-	10,106	-	10,106
Deposit with others	5 & 12	-	-	11,73,159	-	11,73,159
Advances to staff	12	-	-	1,11,917	-	1,11,917
Interest receivable	12	-	-	2,16,860	-	2,16,860
Insurance claim receivable	12	-	-	-	-	-
				77,49,754	-	77,49,754
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	1,50,000	1,50,000
Trade payables	16 & 20	-	-	-	29,167	29,167
<b>Other financial liabilities</b>						
Relating to Employees	17 & 21	-	-	-	83,668	83,668
Expenses payable against Infrastructure Development	17 & 21	-	-	-	1,92,379	1,92,379
Others	17 & 21	-	-	-	1,86,443	1,86,443
Deposits	17 & 21	-	-	-	2,49,099	2,49,099
Interest Payable	17 & 21	-	-	-	4,83,765	4,83,765
					13,74,323	13,74,323

### 37 Financial Risk Management

#### A Management of Credit Risk

- i. Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.
- ii. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

#### B Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

##### a. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Barytes	2,82,898	(2,82,898)	3,14,508	(3,14,508)

###### b. Packing material price risk

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name Packing material	(1,667)	1,667	(1,255)	1,255





c- **Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2016-17		2015-16	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense				
Excavation & Transport Charges for ROM	(10,057)	26,057	(12,732)	12,732
Excavation & Transport Charges for Overburden	(1,78,610)	1,78,610	(80,261)	80,261

38 **Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or rising damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2017**

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	24,40,187	1,93,326	24,47,061	-
	34,99,369	10,52,308	24,47,061	-

**As at 31st March 2016**

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Trade payables	89,718	83,142	4,776	-
Other financial liabilities	16,55,901	6,14,346	10,42,555	-
	17,46,619	6,97,488	10,47,331	-

**As at 1st April 2015**

Particulars	Carrying value	Contractual cash flows		
		Less than 1 year	1-2 years	More than 2 years
Borrowings	1,50,000	1,50,000	-	-
Trade payables	29,167	22,707	6,460	-
Other financial liabilities	11,55,156	3,29,697	8,65,459	-
	13,74,323	5,02,404	8,71,919	-

39 **Employee Benefits**

A. **Defined Contribution Plan**

Particulars	As at	As at
	31-03-2017	31-03-2016
Employers contribution to provident fund	6,817	7,871
Employers contribution to pension fund	4,641	4,533

B. **Defined benefit plans :**

- i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31st March 2017 & 31st March 2016:

Particulars	Gratuity			Leave Encashment		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Change in benefit obligations						
Benefit obligations at the beginning	52,490	47,945	49,708	47,022	49,354	49,581
Service cost	1,146	1,655	1,563	3,444	3,619	316
Interest expenses	3,718	-	3,976	3,291	-	3,897
Contingent gains/losses	-	-	-	-	-	-
Transfer of obligation (net)	-	-	-	-	-	-
Benefits paid	(12,032)	(20,706)	(13,636)	(11,764)	(17,555)	(7,337)
Remeasurements - Actuarial (gains)/losses	1,489	23,197	6,242	3,462	11,605	3,907
Benefit obligations at the end	47,111	52,491	47,945	45,475	47,022	49,354



Particulars	Gratuity			Leave Encashment		
	As at	As at	As at	As at	As at	As at
	31-03-2017	31-03-2016	01-04-2015	31-03-2017	31-03-2016	01-04-2015
Change in Plan Assets						
Fair Value of Plan Assets at the beginning	34,294	43,636	46,516	28,726	41,127	41,362
Interest Income	(74)	3,572	3,991	4,994	3,151	3,642
Employer Contributions	12,707	7,067	6,769	9,001	1,785	3,460
Benefits Payments from Plan Assets	(12,032)	(20,306)	(13,036)	(11,754)	(17,555)	(7,337)
Actuarial gain / (loss) on plan assets	2,499	325	-	213	218	-
Benefit obligations at the end	37,394	34,294	43,636	31,169	28,726	41,127

ii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity			Leave Encashment	
	For the year ended			For the year ended	
	As at	31-03-2016	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Service cost		1,445	1,655	1,464	3,619
Interest expenses		3,792	(3,572)	(1,705)	(3,151)
Net expense recognised		5,238	(1,917)	1,759	458

iii. Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	Gratuity			Leave Encashment	
	For the year ended			For the year ended	
	As at	31-03-2016	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Actuarial (gain)/losses on obligations for the period		1,489	23,197	3,462	11,604
Actuarial (gain)/losses on plan assets for the period		(2,195)	(325)	(210)	(217)
Net (Income)/expenses for the period		(1,010)	22,872	3,252	11,387

Assumptions	Gratuity			Leave Encashment	
	For the year ended			For the year ended	
	As at	31-03-2016	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Rate of discounting		8.30%	8.00%	8.00%	8.00%
Rate of salary increase		4.30%	4.00%	4.00%	4.00%

iv. Summary of Demographic Assumptions

Particulars	Gratuity			Leave Encashment		
	As at	As at	As at	As at	As at	As at
	31-03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016	01-04-2015
Mortality Rate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Disability Rate	-	-	-	5.00%	5.00%	5.00%
Withdrawal Rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal Retirement Age	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
Adjusted Average Future Service	12.39	12.13	11.33	-	-	-
Leave encashment rate	-	-	-	10.00%	10.00%	10.00%
Leave avalliment rate	-	-	-	2.00%	2.00%	2.00%

v. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity			Leave Encashment	
	As at	As at	As at	As at	As at
	03-2016	04-2015	01-04-2015	31-03-2017	31-03-2016
Expected Cash flow in year 1	11,128	12,587	12,310	13,114	9,925
Expected Cash flow in year 2	12,958	10,519	13,068	10,819	4,524
Expected Cash flow in year 3	2,647	12,125	5,590	3,774	3,024
Expected Cash flow in year 4	1,289	2,456	4,670	2,908	1,503
Expected Cash flow in year 5	5,083	2,960	4,619	1,858	1,504
Expected Cash flow in year 6	4,431	4,643	3,592	-	-
Expected Cash flow in year 7	4,397	4,125	3,575	-	-
Expected Cash flow in year 8	2,578	4,172	1,893	-	-
Expected Cash flow in year 9	2,661	2,310	1,884	-	-
Expected Cash flow in year 10	3,123	2,658	1,858	-	-



vi. Significant estimates: Sensitivity Analysis

Discount rate, Salary escalation rate and Withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below

Effect on Gratuity valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	47,112	52,450	0.00%	0.00%
Salary Escalation - Up by 1%	48,701	54,314	3.40%	3.50%
Salary Escalation - Down by 1%	45,418	50,601	-3.60%	-3.60%
Withdrawal Rates - Up by 1%	47,593	52,662	1.00%	0.90%
Withdrawal Rates - Down by 1%	46,585	51,476	-1.10%	-1.00%
Discount Rates - Up by 1%	45,275	50,545	-3.90%	-3.70%
Discount Rates - Down by 1%	49,144	54,634	4.30%	4.10%

vii. Effect on Leave Encashment valuation

Particulars	Defined benefit obligation		(% of change)	
	As at 31-03-2016	As at 01-04-2015	As at 31-03-2017	As at 31-03-2016
Under Base Scenario	45,475	47,022	0.00%	0.00%
Salary Escalation - Up by 1%	47,091	48,603	3.60%	3.50%
Salary Escalation - Down by 1%	43,842	45,145	-3.40%	-3.40%
Withdrawal Rates - Up by 1%	45,653	47,234	0.50%	0.50%
Withdrawal Rates - Down by 1%	45,256	46,709	-0.50%	-0.50%
Discount Rates - Up by 1%	44,206	45,794	-2.60%	-2.60%
Discount Rates - Down by 1%	46,751	48,338	2.80%	2.80%

viii. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

ix. Liability risks

a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

40. Earnings per share

Particulars	As at 31-03-2017	As at 31-03-2016
Profit after tax	31,67,841	29,85,254
Profit available for Equity Shareholders	31,67,841	29,85,254
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of Equity share	1.000	1.000
Basic Earnings Per Share (In Rupees)	50,234	47,338
Equity shares used to compute diluted earnings per share	63,062	63,062
Diluted Earnings Per Share (In Rupees)	50,234	47,338

41. Related Party Transactions

A. List of related parties

Subsidiary Companies	(% of holding)		
	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Orngate Iron Ore Mining Company Pvt Ltd	51.00%	51.00%	51.00%
Andhra Phosphate Private Limited	50.00%	50.00%	50.00%
APMDC SCL Sulluri Coal company to Nuegon Coal company limited	51.00%	51.00%	51.00%
	50.00%	50.00%	50.00%

Joint Venture Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited	11.00%	11.00%	11.00%
Andhra Pradesh Iron Ore Company Ltd	11.00%	11.00%	11.00%
Grmpex AP Barytes Beneficiation Private Limited	11.00%	11.00%	11.00%
Tringa Barite Private Limited	11.30%	11.09%	11.00%
Andhra Pradesh Granite (MIDWEST) Private Limited	11.30%	11.00%	11.00%
Pakavared Granite Private Limited	11.00%	11.00%	11.00%
V.V Minerals Private Limited	12.36%	12.36%	12.36%
Alliance Andhra Pradesh Black Granite Pvt Ltd	11.00%	11.00%	11.00%
Aswar: Mineral Development Private Ltd	26.00%	26.00%	26.00%
Annam Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Isra Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
Mangasree Granites (P) Ltd	26.00%	26.00%	26.00%
Orngate Minerals Exports (P) Ltd	26.00%	26.00%	26.00%
RLP Granites (P) Ltd	26.00%	26.00%	26.00%
SRAP Minerals Private Limited	26.00%	26.00%	26.00%
A.P.Coastal Sand & Metals Pvt Ltd	26.00%	26.00%	26.00%
Andhra Pradesh Tribal Mining (P) Ltd	26.00%	26.00%	26.00%



**Key Management Personnel:**

Name of the related party	Relation
Shri. Venkatesh Choudhary, J.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP State Libermet Ltd	Fellow Government company

**B. The Following Subsidiary/JV/Associate companies are not consolidated for the following reasons:**

Particulars	Reason
<b>Subsidiary Companies</b>	
Oragole Iron Ore Mining Company Pvt Ltd	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer funds to the investor.
Andhra Phosphate Private Limited	The company lease rights were expired and not renewed, hence it is not carrying on any activity.
APHDC- SCCL Sullivan Coal company Ltd	The said company shall not be taken into CFS as the license has been cancelled by the Hon'ble supreme court, Hence business is not commenced.
Nuagon Coal Company Ltd	The said company shall not be taken into CFS as the license has been cancelled by the Hon'ble supreme court, Hence business is not commenced.
<b>Joint Venture Companies</b>	
Andhra Baryte Corporation Private Ltd	The company has not commenced the operations and non operative.
Andhra Pradesh Iron Ore Company Ltd	The company has not commenced the operations and non operative.
Glimpse AP Barytes Beneficiation Pvt Ltd	The company has not commenced the operations and non operative.
Trimex Barite Private Limited	The company has not commenced the operations and non operative.
V.V Minerals Private Limited	The Joint venture agreement expired in FY 2013-14 and later on the State Government has rejected the renewal/fresh JV agreement in Oct, 2016. As there is no joint venture agreement exist on the date of preparation of CFS hence, it has not been considered for the CFS.
Alliance Andhra Pradesh Black Granites Pvt Ltd	The Joint venture agreement is cancelled by the GOAP, hence company became non-operative.
Aswani Mineral Development Private Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Annam Minerals Exports (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Isra Minerals Exports (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Mangasree Granites (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
Oragole Minerals Exports (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
RLP Granites (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.
SRAP Minerals Private Limited	The company has not commenced the operations and non operative.
A.P. Coastal Sand & Metals Pvt Ltd	The lease rights and MOU cancelled by the GOAP, hence became non-operative.
Andhra Pradesh Tribal Mining (P) Ltd	Due to continuous default, the company is stricken off by the ROC and no financial records are available. As the records for CFS are not available hence, the said company not considered in CFS.

**C. Related Party Transactions**
**Amounts of Revenue from the related parties**

Name of the party	Consideration	Other Income (Dividend)
M/s.A.P.Granites (Midwest) P Ltd	1,64,819	4,403
M/s.Pallava Red Granites	31,042	-

**D. (a) Amount Due (to)/from related parties:**

Party Name	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s.SRAP Minerals	4,503	4,496	4,495
M/s.A.P.Granites (Midwest) P Ltd	1,30,914	93,488	70,031
M/s.Alliance A.P.Black Galaxy Granites (P) Ltd	1,721	1,721	1,713
M/s. Pallava Red Granites	86,946	36,507	27,758

**E. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
M/s.SRAP Minerals	4,503	4,496	110
M/s. A.P. Granites (Midwest) Pvt Ltd	12,056	-	-





F. Balance during the year with related parties

Investment in Subsidiary Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
ONGOLE Iron Ore Mining Company Pvt Ltd *	561	561	561
Andhra Phosphate Private Limited *	1,110	1,110	1,110
APMDC- SCLL Sullavan Coal company Ltd *	51	51	51
Vaagan coal company limited *	5,957	5,957	300
<b>Total</b>	<b>7,679</b>	<b>7,679</b>	<b>2,022</b>
* Investment Derated/provision	1,671	-	-
# Investment Derated/provision	6,008	6,006	-

Investment in Joint Venture Companies	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Andhra Baryte Corporation Private Limited *	8,525	8,525	8,525
Andhra Pradesh Iron Ore Company Ltd *	69	69	69
Glimper AP Barytes Beneficiation Pvt Ltd *	13	13	13
Trimex Baryte Private Limited *	4,500	4,500	4,500
Andhra Pradesh Granite (MIDWEST) Pvt Ltd	11,000	11,000	11,000
Pallavared Granite Private Limited	11,000	11,000	11,000
V V Minerals Private Limited %	110	110	110
Alliance Andhra Pradesh Black Granites Pvt Ltd *	11,000	11,000	11,000
Aswani Mineral Development Private Ltd *	650	650	650
Arham Minerals Exports (P) Ltd *	1,300	1,300	1,300
Isra Minerals Exports (P) Ltd *	1,300	1,300	1,300
Maryasree Granites (P) Ltd *	1,300	1,300	1,300
ONGOLE Minerals Exports (P) Ltd *	3,250	3,250	3,250
RLP Granites (P) Ltd *	3,250	3,250	3,250
SRAP Minerals Private Limited *	3,250	3,250	3,250
A.P.Coastal Sand & Metals Pvt Ltd *	130	130	130
Andhra Pradesh Tribal Mining (P) Ltd %	286	286	286
<b>Total</b>	<b>60,933</b>	<b>60,933</b>	<b>60,933</b>
* Investment Derated/provision	33,737	-	-
% Investment Derated/provision	396	396	-
# Investment Derated/provision	25,300	25,300	25,300

G. Key Managerial Personnel:

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Sh.Ch.Venkatesh Choudary, J.R.S	998	1,093	816

H. Interest free loan to related parties

Name of the Related Party	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
AP State Fibre Pvt Ltd	1,00,000	-	-

42 Deferred tax asset/(Liability)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
<b>Tax effect on items constituting deferred tax assets</b>			
Provision for employee benefits	4725	1,840	5,708
Provision for decommissioning asset	16191	55,062	13,327
Property, plant and equipment	6382	-	-
Provision for stripping adjustment	-	7,56,115	3,65,140
Other provisions	17,207	37,314	6,029
<b>Total deferred tax asset</b>	<b>74,505</b>	<b>8,05,621</b>	<b>3,90,204</b>
<b>Tax effect on items constituting deferred tax liabilities</b>			
Property, plant and equipment	-	5,414	10,111
Investments	5,076	5,376	5,376
<b>Total deferred tax liability</b>	<b>5,076</b>	<b>10,490</b>	<b>15,187</b>
<b>Deferred tax asset/(Liability) - Net</b>	<b>69,429</b>	<b>7,95,131</b>	<b>3,75,017</b>





#### 43.CSR Expenditure

A. Gross amount required to be spent by the company during the year is Rs.70,685.54 thousands.

B. Amount spent during the year

(Rupees in 000's)

Sl No	Particulars	Year ended 31-03-2017	Year ended 31-03-2016
i.	Construction / Acquisition of any assets	-	-
ii.	Purpose other than above	19,160	11,113

#### 44. Treatment demerger plan in the Books of accounts

- A. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh State into Andhra Pradesh & Telangana.
- B. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of Head Office and location basis for other projects.
- C. In line with the provisions of the Act, the Demerger Plan for bifurcation of Assets & Liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- D. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- E. The Demerger Plan was discussed by the Boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC & TSMDC and the formula for bifurcation was approved.
- F. The Demerger Plan was subsequently presented before the Expert Appraisal Committee (EAC) constituted for this purpose. The EAC also approved the Demerger Plan and sent its recommendations to the respective governments.
- G. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC -58.32%
  - TSMDC -41.68%



H. APMDC has sent Demerger Plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

I. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the Assets & Liabilities of Common pool as on 01.06.2014 are given below:**

		(Rupees in 000's)	
Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
a) Share capital	63,062	36,778	26,284
b) Reserve & Surplus	1,04,28,142	6,081,692	43,46,449
c) Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
a) Deferred tax liability	2,358	1,375	983
b) Trade payables	23,38,003	13,63,524	9,74,480
c) Other current liabilities	6,66,827	3,88,894	2,77,934
d) Provisions	1,37,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
a). Fixed Assets (WDV)	34,405	20,065	14,340
b). Non-Current investment	49,944	29,128	20,817
c). Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
a). Inventories	1,393	813	581
b). Trade receivables	16,563	9,659	6,903
c). Cash & Bank Balances	439	256	183
d). Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
e). Other Fixed Deposits	81,62,135	47,60,157	34,01,978
f). Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### 45. General

- A. Expenses are accounted under prepaid expenses only where the amounts relating to unexpired period is material.
- B. Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations.
- C. Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to confirm to the classification of the current year.
- D. All amounts have been reported in thousands except for the share data and earning per share (EPS).

#### 46. Explanation of Transition to IND AS

These are the Group's first Consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1.1 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2017, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2016 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April 2015 (the Group's date of transition).

The Group has prepared the opening balance sheet as per Ind AS as on 1st April, 2015 by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from the previously applicable Indian GAAP to Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Group are as detailed below:

##### Exemptions availed on first time adoption of Ind-AS 101

##### a. Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Group has elected to continue with the carrying value of all its property, plant and equipment and intangible assets as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### b. Decommissioning Liabilities

A first-time adopter need not to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs. If a first-time adopter uses this exemption, it shall:

- Measure the liability at the transition date in accordance with Ind AS 37;
- Using the historical risk adjusted discount rate, determine the amount which would have been capitalised when the liability first arose; and
- Compute the amount of depreciation based on the estimated useful life.



Accordingly, the Group has elected to apply the exemption for the obligations arising on account of decommissioning cost.

**c. Leases**

For transition to Ind AS, the Group has adopted the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by Appendix C of Ind AS 17.

**d. Investment in subsidiaries, joint arrangements and associates**

When an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in Subsidiaries, Joint arrangements and Associates either:

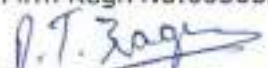
- at cost; or
- in accordance with Ind AS 109.

Hence by availing the exemption the Investments in Subsidiaries, Joint arrangements and associates are measured at cost.

**e. Classification and measurement of financial assets**

Ind AS 101 provides exemptions to certain classification and measurement requirements of financial assets under Ind AS 109, where these are impracticable to implement and hence, classification and measurement needs to be done on the basis of facts and circumstances existing as on the transition date. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the transition date.

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No.0030325

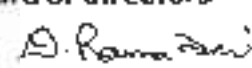
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878


**Place: Vijayawada**  
**Date: 14<sup>th</sup> July, 2022**



**for and on behalf of the board of directors**

  
**V.G. Venkata Reddy**  
VC&MD  
DIN:08805525

  
**D. Ramadevi**  
Director  
DIN:08076094

  
**A. Nageswara Reddy**  
General Manager-F&A



UDIN: 22227878AMYRJ17786

**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of consolidated equity as previously reported under IGAAP to Ind AS**

(Rs. in '000's)

Particulars	As on 31-03-2016			As on 01-04-2015		
	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2,33,256	112,030	2,21,226	1,29,317	(914)	1,28,403
Capital work in progress	-	-	-	61,459	-	61,459
Other intangible assets	249	(528)	421	307	(74)	83
<b>Financial assets</b>						
Investments	44,336	116,514	22,5	44,557	14,547	40,410
Loans	20,559	-	20,559	19,832	-	19,832
Others (to be specified)	63,91,476	3,14,141	64,05,618	8,23,120	3,14,141	11,37,262
Deferred tax assets (Net)	76,531	1,18,513	7,95,134	14,774	3,00,242	3,75,016
Other non-current assets	26,54,625	21,752	36,86,378	19,36,319	(63,147)	19,21,172
Non-current Tax assets (Net)	7,26,053	-	7,26,053	-	-	-
<b>Current assets</b>						
Inventories	6,11,510	-	6,11,510	5,55,414	-	5,55,414
<b>Financial assets</b>						
Trade receivables	1,39,610	-	1,39,610	1,23,606	-	1,23,606
Cash and cash equivalents	1,52,923	-	1,52,923	1,09,043	-	1,09,043
Other bank balances	11,57,690	-	11,57,690	50,89,369	-	50,89,369
Loans	1,056	-	1,056	-	-	-
Others (to be specified)	2,34,118	4,400	2,38,519	1,10,827	1,320	1,12,147
Current Tax Assets (Net)	-	-	-	3,58,198	-	3,58,198
Other current assets	15,65,781	290	15,66,071	78,439	592	79,032
<b>TOTAL ASSETS</b>	<b>1,37,20,071</b>	<b>10,30,222</b>	<b>1,47,50,293</b>	<b>1,07,75,286</b>	<b>6,07,614</b>	<b>1,13,82,900</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Equity share capital	63,062	-	63,062	63,062	-	63,062
Other equity	91,72,000	12,49,708	1,04,16,708	69,34,504	5,02,366	74,36,869
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	4,776	-	4,776	5,460	-	5,460
Other financial liabilities	10,42,555	-	10,42,555	6,61,928	1,97,531	3,65,458
Provisions	22,65,051	(36,607)	72,79,113	11,65,001	(59,507)	11,08,006
Other non-current liabilities	64,528	-	64,528	4,35,010	-	4,35,010
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	-	-	-	1,50,000	-	1,50,000
Trade payables	83,142	-	83,142	22,707	-	22,707
Other financial liabilities	5,95,179	19,167	6,14,346	3,27,330	2,307	3,29,637
Other current liabilities	1,95,425	-	1,95,425	9,64,741	-	9,64,741
Provisions	2,33,338	(1,95,945)	36,493	34,663	(34,663)	-
<b>Total liabilities</b>	<b>44,84,934</b>	<b>(2,14,485)</b>	<b>43,70,449</b>	<b>37,77,722</b>	<b>1,05,248</b>	<b>38,82,969</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,37,20,071</b>	<b>10,30,222</b>	<b>1,47,50,294</b>	<b>1,07,75,286</b>	<b>6,07,614</b>	<b>1,13,82,900</b>





**Andhra Pradesh Mineral Development Corporation Limited**  
**Reconciliation of consolidated profit and loss for the year ended 31-03-2016**

(Rs. in '000's)

Particulars	As per 'IGAAP'	Ind AS Adjustments	As per 'IND AS'
<b>Income</b>			
Revenue from operations	62,90,163	-	62,90,163
Other income	7,20,105	(1,320)	7,26,785
<b>Total</b>	<b>70,18,269</b>	<b>(1,320)</b>	<b>70,16,949</b>
<b>Expenses</b>			
Cost of Raw Materials and Components consumed	25,098	-	25,098
[Increase]/Decrease in inventories	53,313	-	53,313
Employee benefits expense	2,92,206	(84,949)	2,07,257
Finance costs	5,696	3,036	8,732
Depreciation and amortization expense	26,496	11,031	37,527
Power and fuel	75,885	-	75,885
Excavation & transport charges	18,59,864	-	18,59,864
Other expenses	6,85,995	(86,276)	5,99,719
<b>Total Expenses</b>	<b>30,24,553</b>	<b>(1,57,157)</b>	<b>28,67,396</b>
<b>Profit/(Loss) before Exceptional items and tax</b>	<b>39,93,716</b>	<b>1,55,837</b>	<b>41,49,553</b>
Add : Exceptional Items (Net)	(2,57,246)	2,57,246	-
<b>Profit/(Loss) before tax</b>	<b>37,36,470</b>	<b>4,13,083</b>	<b>41,49,553</b>
<b>Share of profit from associates/JV</b>	<b>-</b>	<b>-</b>	<b>(8,503)</b>
<b>Less : Tax expenses</b>			
Earlier years	20,215	-	20,215
Current tax	15,47,408	-	15,47,408
Deferred tax	(61,847)	(3,49,980)	(4,11,827)
<b>Total tax expense</b>	<b>15,05,775</b>	<b>(3,49,980)</b>	<b>11,55,796</b>
<b>Profit/(Loss) for the year from continuing operations</b>	<b>22,30,695</b>	<b>7,63,062</b>	<b>29,85,254</b>
Profit/(Loss) from discontinuing operations	-	-	-
Less : Tax expense of discontinuing operations	-	-	-
<b>Profit/(Loss) from discontinuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>	<b>22,30,695</b>	<b>7,63,062</b>	<b>29,85,254</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to Profit and loss account	-	(39,916)	(39,916)
Income tax relating to above items	-	8,291	8,291
Items that will not be reclassified to Profit and loss account	-	-	-
Income tax relating to above items	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>(31,625)</b>	<b>(31,625)</b>
<b>(Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>22,30,695</b>	<b>7,31,438</b>	<b>29,53,630</b>
<b>Earnings per equity share</b>			
[Nominal value of share Re.1000 /-]	<b>35,373</b>	-	<b>47,338</b>
<b>Basic and diluted:</b>			
Computed on the basis of total profit for the year			



STATEMENT OF FINANCIAL RESULTS FROM 2007-08 TO 2016-17							Rupees in Lakhs			
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
I) Sources of Funds										
a). Share Capital	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
b). Loan From Bank	103.11	3,389.78	0	0	0	0	0	0		
c). Loan From Government	0	0	0	0	0	0	0	0		
TOTAL	733.73	4,020.40	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
II) Sales	9,318.09	15,647.03	21,699.84	23,416.59	38,241.10	65,639.90	51,431.01	19,994.11	67950.38	54605.32
III) INVENTORIES										
a. Stock (Finished Goods and										
Work-in-Progress)	435.13	905.43	1,571.31	1,783.65	427.31	516.13	3,056.68	7,152.43	6034.94	14456.38
b. Stores & Spares	88.85	84.02	70.12	74.48	198.81	142.04	118.04	86.07	80.24	72.13
IV) Debtors	927.48	2,249.25	2,278.36	869.49	900.87	1,145.45	1,751.93	1,238.06	1396.1	3261.67
V) Fixed Assets										
Gross Block	1,484.14	1,605.03	1,628.01	1,933.41	2,429.79	2,559.47	2,823.44	2,702.91	2,582.19	4,754.14
Less: Depreciation	-649.08	-739.95	-791.83	-898.67	-1,045.05	-1,070.86	-1,271.62	-1,432.97	-369.94	-811.66
Net Block	835.06	865.08	836.18	1,034.74	1,384.74	1,488.61	1,551.82	1,269.93	2,212.25	3,942.48
Capital Work-in-Progress	0.14	3.59	8.39	3.87	0.61	0.03	115.74	614.59	0	29627.99
TOTAL	835.2	868.67	844.57	1,038.61	1,385.35	1,488.64	1,667.56	1,884.52	2,212.25	33,570.47
VI) Loans & Advances	3,944.35	7,778.87	5,293.48	5,465.24	7,740.11	33,467.31	28,271.79	26,009.10	50001.14	49783.07
VII) Other Current Assets (including										
Cash and Bank Balances	11,817.26	15,062.82	17,377.68	27,862.53	50,064.90	62,113.52	107,851.19	63,172.85	15,444.98	7,962.88
VIII) Current Liabilities and Provisions	6,701.40	7,974.04	6,660.86	10,203.75	18,552.90	24,367.60	40,469.44	37,777.21	42,704.49	36,902.92
IX) Profit (+) Loss (-) for the year	5,552.70	6,669.78	8,383.59	9,705.23	23,053.43	48,124.81	43,502.50	17,147.83	29,950.77	31,755.42
X) Profit Percentage %	59.59	42.63	38.63	41.45	60.28	73.32	84.58	85.76	44.07	58.15
XI) Dividend paid	100.9	100.9	100.9	157.65	157.65	157.65	157.66	157.66	157.66	-
XII) Dividend %	16	16	16	25	25	25	25	25	25	-



The Andhra Pradesh Mineral Development  
Corporation Limited

### **MINES**

#### **BARYTES MINES**

Mangampet Barytes Mining & Pulverising Unit  
Mangampet, YSR Kadapa District.

#### **CLAY MINES**

Sri Venkateswara Clay Mines,  
Dwarakatirumala,  
West Godavari District.

#### **BLACK GRANITE MINES**

Warangal District  
Choutapally  
Nalgonda District  
Venkataramapuram.

#### **LIMESTONE MINES**

Piduguralla  
Guntur District  
Devapur  
Adilabad District

#### **SEMI-PRECIOUS STONES PROJECT**

Visakhapatnam.



The Andhra Pradesh Mineral Development  
Corporation Limited

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## **BOARD OF DIRECTORS**

### **CHAIRMAN:**

- 1) Sri M. Girija Shankar, IAS., (from 14-10-2015 to 11-09-2016)
- 2) Sri B. Sreedhar, IAS., (from 12-09-2016 to 08-02-2019)
- 3) Sri I. Srinivas Srinaresh, IAS., (from 08-02-2019 to 14-05-2019)
- 4) Sri Anil Chandra Punetha, IAS., (from 15-05-2019 to 31-05-2019)
- 5) Sri K. Ramgopal, IAS., (from 19-08-2019 to 01-05-2020)
- 6) Sri Gopal Krishna Dwivedi, IAS., (from 01-05-2020 to 25-07-2021)
- 7) Smt G. Shameem Aslam (from 26-07-2021 to 03-07-2024)

### **VICE-CHAIRMAN & MANAGING DIRECTOR:**

- 1) Sri Ch. Venkaiah Chowdary, IRS., (from 24-08-2015 to 26.06.2019)
- 2) Sri Y. Bhanu Prakash, IAS., (from 27-06-2019 to 13-09-2019)
- 3) Sri M. Madhusudhan Reddy, IRAS., (from 16-09-2019 to 20-05-2020)
- 4) Sri V.G. Venkata Reddy (from 20-05-2020 to 01-06-2020)
- 5) Sri Hari Narayanan. M, IAS., (from 02-06-2020 to 01-02-2021)
- 6) Sri V.G.Venkata Reddy (from 04-02-2021 to 07-06-2024)
- 7) Dr N Yuvraj, IAS., (from 07-06-2024 to 24-06-2024)
- 8) Sri Pravin Kumar, IAS., (from 24-06-2024 to Till the Date)

### **DIRECTORS:**

- 1) Sri J C Sharma (from 21-10-2014 to 30-04-2017)
- 2) Smt Hema Munivenkatappa (from 14-10-2015 to 08-09-2017)
- 3) Sri V. Radha Krishna (from 14-10-2015 to 31-07-2017)
- 4) Sri Karikal Valaven (from 30-04-2017 to 16-07-2017)
- 5) Sri Durga Prasad Sahu (from 02-08-2017 to 30-08-2017)



6) Dr. Manmohan Singh	(from 16-07-2017 to 31-10-2019)
7) Dr. K V V Satyanarayana	(from 08-09-2017 Till the Date)
8) Smt D. Rama Devi	(from 30-08-2017 to 28-08-2020)
9) Sri I. Srinivas Srinareash	(from 08-02-2019 to 20-07-2019)
10) Sri K. Ramgopal	(from 20-07-2019 to 03-03-2020)
11) Smt V. Usharani	(from 31-10-2019 to 22-12-2021)
17) Sri V.G. Venkata Reddy	(from 03-03-2020 to 07-06-2024)
18) Sri I. Mohan Rao	(from 29-08-2020 to 03-03-2022)
19) Smt Mala Jayasudha	(from 20-09-2021 to 13-08-2024)
20) Sri C. Harish Reddy	(from 20-09-2021 to 13-08-2024)
21) Smt Marty Lakshmi	(from 20-09-2021 to 13-08-2024)
22) Smt G. Sujatha	(from 20-09-2021 to 13-08-2024)
23) Sri M.Balamuni Reddy	(from 20-09-2021 to 13-08-2024)
24) Smt ES.Salma	(from 20-09-2021 to 13-08-2024)
25) Sri Lingareddy Veera Prathap Reddy	(from 20-09-2021 to 13-08-2024)
26) Sri Bandireddy Bapireddy	(from 20-09-2021 to 13-08-2024)
27) Sri Bathula Rama Rao	(from 20-09-2021 to 13-08-2024)
28) Smt Chilluru Manjusha	(from 20-09-2021 to 13-08-2024)
29) Sri K V Ramana Reddy	(from 20-09-2021 to 13-08-2024)
30) Smt D. Rama Devi	(from 03-03-2022 to 21-09-2024)
31) Sri Bipin Kumar	(from 09-12-2022 to Till the Date)
32) Sri Raman Narayanan	(from 01-02-2023 to Till the Date)
31) Sri D Mallikarjuna Reddy	(from 06-04-2023 to 13-08-2024)
32) Dr N Yuvraj, IAS.,	(from 07-06-2024 to 24-06-2024)
33) Sri Pravin Kumar	(from 24-06-2024 to Till the Date)

**COMPANY SECRETARY / GENERAL MANAGER (COMPANY LAW AFFAIRS):**

- 1) Smt M. Prameela Rani  
B.Com., LLB., ICSI  
General Manager (CLA) (from 24-04-2016 to 30-11-2019)
- 2) Sri R.Manikiran (from 01-09-2020 to Till the Date)  
Company Secretary on Retainership

**EXECUTIVE DIRECTOR:**

- 1) Sri H.D. Nagaraja  
Executive Director (from 31-07-2010 to 30-09-2020)
- 2) Sri R.Kedarnath Reddy (from 07-10-2021 to Till the Date)  
Executive Director

**GENERAL MANAGER (F&A):**

- 1) Sri B. Srinivasa Murthy,  
B.Com., F.C.A., (from 10-03-2008 to 30-04-2021)
- 2) Sri A. Nageswara Reddy (from 30-12-2021 to Till the Date)

**STATUTORY AUDITORS:**

M/s. Srirama Murthy & Co.,  
Chartered Accountants,  
Hyderabad.

**BANKERS:**

- 1) Union Bank of India
- 2) State Bank of India
- 3) ICICI Bank

**REGISTERED & CORPORATE OFFICE:**

- 1) D.No.6-1-67/19/1 & 67/20, Flat No.302,  
Super Classic Apartment, Saifabad,  
Lakdikapool, Hyderabad,  
Telangana – 500004, India.
- 2) Door No.294/1D,  
100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137,  
Andhra Pradesh.



**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LTD**  
**(A State Government of A.P. Undertaking)**  
Reg. Office: D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic  
Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.  
Corp off: No.294/1D, 100 Feet Kanur to Enikepadu Road, Vijayawada – 521 137,  
A.P  
Tel: 0866 2429999, Fax: +91 40-23393152

**SHORTER NOTICE**

**To**  
**THE SHARE HOLDERS**

Shorter Notice is hereby given that Adjourned 57<sup>th</sup> Annual General Meeting of the A.P. Mineral Development Corporation Limited will be held on **20<sup>th</sup> September, 2024 at 12.00 Noon** at its Corporate office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh - 521137 to transact the following business:-

**ORDINARY BUSINESS:**

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

By order of the Board of Directors

Managing Director

Date: 20.09.2024

Place: Vijayawada

**Note:**

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy in the form enclosed to attend and vote instead of himself and that the proxy need not be a member of the Company.
- 2) Consent of the Shareholders to convene the Adjourned 57<sup>th</sup> Annual General Meeting of the Company with a shorter notice required under the provisions of the Sec.101(1) of the Companies Act, 2013 is being obtained.

**FORM No. MGT – 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U13209TG1961SGC000871  
Name of the Company : The Andhra Pradesh Mineral Development Corporation Limited.  
Registered Office : D. No. 6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakidkapool, Hyderabad, Telangana.

Name of the Member:

Registered Address:

E-Mail Id:

Folio No / Client Id:

DP ID:

I /We, being the member (s) of \_\_\_\_\_shares of the above-named Company, hereby appoint

1. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

2. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

3. Name of the Member:

Registered Address:

E-mail Id:

Signature: or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Adjourned 57<sup>th</sup> Annual General Meeting of the Company, to held on 20<sup>th</sup> September, 2024 at the Corporate Office of the Company.

- 1) To consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018 of the Company along with the Board's Report, Auditor's Reports thereon and Comments of the Comptroller and Auditors General of India and Management Replies.

**THE COMPANIES ACT, 2013**  
**CONSENT of Shareholders for Shorter Notice**  
**{Pursuant to Section. 101(1)}**

To,  
The Board of Directors,  
A.P. Mineral Development Corporation Limited.

We, the following members holding equity shares as mentioned below hereby give consent, pursuant to Sec. 101 (1) of the Companies Act, 2013, to hold the Adjourned 57<sup>th</sup> Annual General Body Meeting on 20<sup>th</sup> September, 2024 at 12.00 Noon with shorter notice at its Corporate Office situated at #294/1D, Tadigadapa to Enikepadu 100 Feet Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh-521137.

1. Sri Pravin Kumar, IAS.,  
Director of Mines & Geology  
Chairman & Shareholder  
(Holding one equity share of Rs.1000/-)

\_\_\_\_\_
2. Sri Pravin Kumar, IAS.,  
Managing Director (FAC)  
& Shareholder  
(Holding one equity share of Rs.1000/-)

\_\_\_\_\_
3. Governor of Andhra Pradesh  
Represented by Sri P. Venkateswara Rao  
Asst. Secretary to Govt.,  
Industries & Commerce Dept.,  
(Holding 63,059 equity share of Rs.1,000/-)

\_\_\_\_\_
4. Sri V. Shaker Babu  
Section Officer,  
Industries & Commerce Department  
(Holding one equity share of Rs. 1,000/-)

\_\_\_\_\_





## **The Andhra Pradesh Mineral Development Corporation Limited**

INCORPORATED IN INDIA  
ANDRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED

Andhra Pradesh, India Office: 12, Anna Salai, Chennai - 600 002

E-Mail: info@apmdc.org.in Website: www.apmdc.org.in

### **DIRECTOR'S REPORT**

**To,**  
**The Members,**  
**The Andhra Pradesh Mineral Development Corporation Limited.**

Your Director have pleasure in presenting their 67<sup>th</sup> Annual Report on the business and operation of the company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2018.

#### **FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:**

The financial results for the year ended 31<sup>st</sup> March, 2018 and the corresponding figures for the last year are as under:-

	<b>(Rs.In '000's)</b>	
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Profit Before interest, Depreciation & Tax	28,86,829	52,59,558
Less: Finance Cost	29,173	76,447
Less: Depreciation & Amortization Expense	46,864	44,432
Profit before Tax	28,10,791	51,38,679
Provision for Tax		
Income Tax (IV)	10,90,085	12,42,941
Deferred Tax	(12,890)	7,24,236
Profit after Tax	17,33,696	31,71,501
Less: Proposed Dividend & Tax thereon		
Balance carried to Balance Sheet	17,33,696	31,71,501

#### **RESERVE & SURPLUS:**

Out of the total profit of Rs. 17,33,696/- ('000's) for the financial year Rs. 173,370/- ('000's) amount is proposed to be transferred to the General Reserve.

#### **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company done during the year.

#### **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

**DIVIDEND:**

To strengthen the financial position of the Company and to augment working capital your directors regret to declare any dividend. **NIL**

**MEETINGS:**

During the Financial Year 2017-18, Six (6) Board Meetings were held on 28-04-2017, 06-06-2017, 31-07-2017, 12-10-2017, 31-01-2018 and 07-03-2018. The maximum time gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

**DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As required pursuant to section 135(1) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, Corporate Social Responsibilities (CSR) Activities as **(ANNEXURE – IV)**.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

**SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:****JOINT VENTURE COMPANY:****(a) M/S. ANDHRA PRADESH GRANITE (MIDWEST) PRIVATE LIMITED**

During the year 2017-18, the company has achieved a turnover of Rs.63.29 Lakhs against the previous year turnover of Rs.91.74lakhs. The Company registered a Gross loss of Rs.2.97 Lakhs against the previous year's Gross profit of Rs.2.14 Lakhs before taxes and the net loss is Rs.2.00 Lakhs for the year as against the previous year net profit of Rs.1.15 Lakhs.

**(b) M/s. PALLAVARED GRANITE PRIVATE LIMITED**

During the year 2017-18, the company has achieved a turnover of Rs 9.93 Lakhs against the previous year turnover of Rs.11.13 lakhs. The Company registered a Gross loss of Rs.4.93 Lakhs against the previous year's Gross loss of Rs 4.30 Lakhs before taxes and the net loss is Rs.5.80 Lakhs for the year as against the previous year net profit of Rs.4.15 Lakhs.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**CHANGES IN SHARES CAPITAL:**

The Company has not issued any Equity Shares during the year under review.

**STATUTORY AUDITORS:**

**M/s. Sriramamurthy & Co., (003032-S)** Chartered Accountants, Statutory Auditors the retiring auditors, during the Annual General Meeting held were appointed for a period of 4 years until the conclusion of 56<sup>th</sup> Annual General Meeting to be held after that meeting, subject to ratification at every Annual General Meeting in terms of Section 139 of the Companies Act 2013. They have confirmed their eligibility and willingness for the next term from the conclusion of ensuing annual general meeting to the conclusion of next annual general meeting.

**AUDITOR'S REPORT:**

The Auditor's Report does not contain any qualification. Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any future comments.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT 4 as a part of this Annual Report as **(ANNEXURE – III)**

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

**Details of Loans:**

The particulars of loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Companies Act, 2013, is (AS PER SITUATION)

**DEPOSIT:**

The Company has neither accepted nor renewed any deposits during the year under review.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. [ANNEXURE - II]

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2017-18.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**Conservation of energy**

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

**Technology absorption**

(i)	the effort made towards technology absorption	Nil
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	Nil
(iii)	in case of imported technology [important during the last three years reckoned from the beginning of the financial year]	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the total foreign exchange used was Rs.Nil and the total foreign exchange earned was Rs. Nil.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Director's Responsibility Statement referred to in clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013 shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:



The director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period:

The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors had prepared the annual accounts on a going concern basis and

The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**ACKNOWLEDGEMENTS:**

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

**For and on behalf of the Board of Directors**

**The Andhra Pradesh Mineral  
Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
[Sri Pravin Kumar, IAS]  
(DIN: 07106418)  
Managing Director

**Place: Vijayawada**

**Date :20.09.2024**

**ANNEXURE - I**

**Statement Pursuant to Section 212 of the Companies Act, 1956**  
**relating to Subsidiary Company**

<b>Name of the Subsidiary Company</b>	<b>M/s. Ongole Iron Ore Company Pvt. Ltd.</b>
1. The Financial year of the subsidiary Company ended on	31 <sup>st</sup> March, 2018
2. a) paid up Capital of the Subsidiary Company	Rs 11,00,000/-
b) No. Of shares held by APMDCL with its nominees in the subsidiary	56,100 Shares of Rs. 10/- each fully paid up
c) Extent of interest of holding Company at the end of Financial year	51%
3. The net aggregate amount of the subsidiary Company Profit/Loss so far as it concerns the members of the holding company	
a) Not dealt with in the holding Company's accounts	
i) For the Financial year of the subsidiary Company	Nil
ii) For the previous financial years of the Subsidiary Company since it became the holding Company's Subsidiary	Nil
b) Dealt with in the holding company's accounts	
i) For the Financial year of subsidiary Company	Nil
ii) For the previous financial year of the Subsidiary Company since it became the holding Company's subsidiary	Nil

**For The Andhra Pradesh Mineral Development Corporation Limited**



**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**



**(Sri Pravin Kumar, IAS)**  
**(DIN:07106418)**  
**Managing Director**

**Annexure - II**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SG000871)

**FORM NO. AOC -2**

***(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis.

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/ transaction	N.A
c)	Duration of the contracts/ arrangements/ transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	N.A

***1. Details of contracts or arrangements or transactions at Arm's length basis.***

S.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/ arrangements/ transaction	N.A
c)	Duration of the contracts / arrangements / transaction.	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Date of approval by the Board	N.A
f)	Amount paid as advances, if any	N.A

For **The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(Sri Pravin Kumar, IAS)  
(DIN:07106418)  
Managing Director

**Annexure-III**

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED  
(CIN:U13209TG1961SGC000871)

**Form MGT-9**

**Extract of Annual Return as at the financial year ended on  
31.03.2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U13209TG1961SGC000871
2. Registration Date	24.02.1961
3. Name of the Company	ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED
4. Category/Sub-category of the Company	Government Private Company Limited by Shares
5. Address of the Registered office & contact details	D.No.6-1 67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saitabad, Laxdikapool Hyderabad Hyderabad TG 500004 IN
6. Whether listed company (Yes / No)	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more to the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Mining	0899	100%

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	M/s. Ongole Iron Ore Company Pvt. Ltd.	U1310GTG2009SGC063631	Subsidiary	51%	

### IV. SHARE HOLDING PATTERN [Equity Share Capital Breakup as percentage of Total Equity]

(i). Category-wise Share Holding Total Number of Shares 100%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	3	3		-	3	3		0
b) Central Govt.									
c) State Govt./s)	-	63,059	6,30,59,000	99.99	-	63,059	6,30,59,000	99.99	0
d) Bodies Corp.									
e) Banks / FI	-								



f) Any other...	-				-				
<b>Sub-total (A)</b> <b>(1)</b>	-	63,062	6,30,62.00 0	100	-	63.06 2	6,30,62.00 0	100	0
<b>(2) Foreign</b>									
(a) NRIs Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/ FI									
(e) Any other.....									
<b>Sub-Total</b> <b>(A) (2) :-</b>									
<b>Total</b> <b>Shareholdin</b> <b>g of</b> <b>Promoter (A)</b> <b>=(A) (1) + (A)</b> <b>(2)</b>	-	63,062	6,30,62.00 0	100	-	63.06 2	6,30,62.00 0	100	0
<b>B. Public</b> <b>Shareholdin</b> <b>g</b>									
<b>1.Institution</b> <b>s</b>									
(a) Mutual Funds	-								
(b) Banks / FI	-								
(c) Central Govt									

d) State Govt.(s)									
e) Venture Capital Funds	-								
f) Insurance Companies									
g) FIs	-								
h) Foreign Venture Capital Funds	-								
i) Others (specify)	-								

**Sub-total**

**(B)(1):-**

**2. Non-Institutions**

a) Bodies Corp									
i) Indian	-								
ii) Overseas									
b) Individuals	-								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-								
ii) Individual shareholders holding nominal share capital	-								

in excess of Rs 1 lakh									
c) Others (specify)	-								
<b>Sub-Total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	63.062	6,30,62,000	100	-	63.062	6,30,62,000	100	0

**(ii) Share holding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sr B. Sreedhar, IAS Director of Mines & Geology	1			1			Nil
2	Sri Ch. Venkaiah Chowdary	1			1			Nil

3	Vice Chairman & Managing Director Sri A. Janardhana Babu Governor of Andhra Pradesh Represented by Asst. Secretary to Govt., Industries & Commerce Dept.	63,059	99.999	63,059	99.999	Nil
3	Sri. T. G. Ganapathi Section Officer, Industries & Commerce Department	1		1		Nil

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

There is no change in the promoter's shareholding during the period under review

Sl No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company
	At the beginning of the year		
	Date wise Increase / Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	
	At the end of the year		

**(iv) Shareholding Pattern of top ten Shareholders: [Other than Directors, Promoters and Holders of GDRs and ADRs]:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1	Governor of Andhra Pradesh	63,054	99.994		
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	0			
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>			63,059	99.999
2					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	<b>At the end of the year (or on the date of separation, if separated during the year)</b>				
3					
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				



specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.);			
<b>At the end of the year (or on the date of separation, if separated during the year)</b>			

## INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not paid for the year: Nil

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				

paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>					

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of prerequisites u/s 17 (2) of Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	Sh. Ch. Anandh Chairman & Managing Director	Rs. 18,00,000/-
2	Stock Option		
3	Swamp Rights		
4	Commission as % of profits others specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

### B. Remuneration to other Directors: NIL

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount

1	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, Please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTB - NIL**


Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				

4	Commission - as % of profit Others specify	
5	Others, please specify Total	

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:- NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For The Andhra Pradesh Mineral Development Corporation Limited**

  
(Raman Narayanan)  
(DIN: 10267130)  
Director

  
(Sri Pravin Kumar, IAS)  
(DIN:07106418)  
Managing Director

Place: Vijayawada  
Date: 20.09.2024

**ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

**(CIN:U13209TG1961SGC090871)**

**TO THE DIRECTORS' REPORT  
ANNUAL REPORT ON CORPORATE SOCIAL  
RESPONSIBILITIES (CSR) ACTIVITIES**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

APMDC [the Company] has developed its CSR policy, henceforth called "APMDC CSR Policy", in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India.

The objectives of the APMDC CSR Policy are to:

1. To define CSR Projects or Programmes which APMDC plans to undertake and which fall within the preview of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.
2. Outline mechanism to identify new CSR Activities which can create a positive difference in the area.
3. Outline Governance mechanism for the CSR activities taken up by APMDC.
4. Mode of implementation of such CSR Projects and Programmes.
5. Monitoring and reporting mechanism of such CSR Projects and Programmes.

APMDC CSR policy is aimed at working along with the community through its focus on:

Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swachh Bharat Kosh set up by the central government for the promotion of sanitation and making available safe drinking water;

- i. Promoting preventive health care
  - a. Provision for operation and treatment for differently disable persons
  - b. Enabling access to, or improving the delivery of public health systems.



- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. Enduring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund setup by the central government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veteran, war widows and their dependants;
- vii. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
- viii. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government;
- x. Rural development projects.
- xi. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.

**2. Average net profit of the company for last three years : Rs.209,56,56,086/-**

**3. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):Rs.4,19,13,121/-**

**4. Details of CSR spent during the year.**

(a) Total amount spent on CSR for the financial year 2017-18: Rs.13,72,47,076/-

(b) Total amount to be spent on CSR for the financial year 2017-18: Rs Nil

(c) Manner in which the amount spent during the financial year 2017-18:

- I. Primary Health Centre Maintenance Expenses
- II. School Maintenance Expenses

III. RO Plants Maintenance Expenses

IV. Rural Expenses

**5. In case the Company has failed to spend the two percent:**

During the financial year ended March 31, 2018, the company was required to spend Rs.4,19,13,121/-towards CSR activities but the Company has spent Rs. 13,72,47,076/-which is more than the required amount.

**6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and Objectives of the Company.

**For The Andhra Pradesh Mineral Development Corporation Limited**



**(Raman Narayanan)**  
**(DIN: 10267130)**  
**Director**



**(Sri Pravin Kumar, IAS)**  
**(DIN:07106418)**  
**Managing Director**

**Place: Vijayawada**

**Date: 20.09.2024**



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,  
आन्ध्र प्रदेश, विजयवाडा - 520 002.

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr.No.PAGAUAP/AMG-II/TSC-II/APMDCL-FY18/2024-25/35

Date: 17 April 2024

To

The Managing Director,

Andhra Pradesh Mineral Development Corporation Limited

D.NO.294, 1/D, 100 Feet, Kannur to Nidamanur Road,

Krishna District, Andhra Pradesh - 521 137

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on Standalone Financial Statements and Consolidated Financial Statements of AMPDCL for the year ended 31 March 2018.

Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 on Standalone Financial Statements and Consolidated Financial Statements of Andhra Pradesh Mineral Development Corporation Limited (AMPDCL) for the year ended 31 March 2018 for necessary action.

2. The date of placing of C&AG Comments along with Standalone and Consolidated Financial Statements, and Auditors' Reports before the shareholders of the Company may please be communicated along with a copy of proceedings of AGM meetings.

3. The date of forwarding the Annual report and financial statements (Standalone and Consolidated) of the Company together with the Auditors' Report and Comments of C&AG to the Government of Andhra Pradesh for the year ended 31 March 2018 for being laid before the State Legislature may also be intimated. Copy of letter from the Legislature Secretariat indicating date on which Annual Report is laid before State Legislature may also be intimated.

4. Five copies of the Annual Report for the year 2017-18 may also be furnished to this Office.

5. Management Letter containing deficiencies in internal controls noticed during supplementary audit of the accounts of the Company for the year is issued separately.

Encl: As above.

Yours faithfully,

BHASKAR  
KALLURU

Digitally signed by  
BHASKAR KALLURU  
Date: 2024.04.17  
20:53:01 +05'30'

Senior Deputy Accountant General

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 in accordance with financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17.09.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit of the standalone financial statements of the Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 under Section 143(6)(a) of the Act. This Supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

**A. Comments on Profitability**

**Expenses**

**Other Expenses (Note-34): ₹67.26 crore**

1. The above does not include ₹437.37 crore payable by the Company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT) as on reporting date. The Company has been required to contribute 10 *per cent* of sales turnover to MERIT, which was formed by State Government (GO Ms.No.18 dated 13.01.2016) in place of "Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. However, the required amount towards contribution was disclosed as Contingent Liability in Note-37 to accounts, indicating that Company requested (November 2019) the Government for exemption for contributing 10 *per cent* of sales turnover and fixed amount would be contributed. As per information (December 2022), no exemption was granted by the State Government/MERIT. Hence, suitable provision should have been recognised instead of disclosure as Contingent liability. Thus, non-recognition of provision resulted in understatement of 'Other Expenses' and 'Other Current Liabilities' by ₹437.37 crore<sup>1</sup> each with consequent overstatement of the Profit for the year by the same amount.

**B. Comments on Financial Position**

<sup>1</sup> Includes ₹187.15 crore for the period 2013-16 to 2017-18 and ₹250.22 crore for the period up to 2014-15.

## **Assets**

### **Non-current Assets**

#### **Exploration intangible assets under development (Note-3): ₹297.23 crore**

2. The above includes ₹14.08 lakh towards stamp duty paid (May 2013) by the Company for JV Company, viz. APMDC-SCCL Suhyari Coal Company Limited between the Company and Singareni Collieries Company Limited (SCCL) after allotment of Suhyari Coal Block in Madhya Pradesh to the Company by Govt in July 2007. Considering the status of the JV Company as on reporting date, where the JV was inactive and no business commenced due to cancellation of license, provision towards impairment of intangible asset under development should have been recognised. Thus, non-recognition of provision resulted in overstatement of Exploration intangible assets under Development and understatement of Provision by ₹14.08 lakh each with consequent overstatement of Profit by the same amount.

### **Financial assets**

#### **Loans (Note-5): ₹60.52 crore**

3. The Company released ₹60 crore to Andhra Pradesh State Electricity Limited (APSEL) during 2017-18 towards interest free loan and classified the same as Loans (Non-current) as disclosed in Note-47 to accounts. As per the repayment schedule mentioned in the agreement with APSEL, ₹20 crore receivable by the Company in 2018-19 i.e., within one year from the reporting date, qualifies to be a current asset instead of non-current asset. Thus, wrong classification resulted in overstatement of Loans (Non-current) and understatement of Current Assets – Loans (Note-13) by ₹20 crore each.

## **Equity and Liabilities**

### **Liabilities**

#### **Current Liabilities**

#### **Provisions (Note-24): ₹1.07 crore**

4(a). The Company enhanced of age of superannuation to their employees from 58 to 60 years as per GOs/Gs 138 dated 08.08.2017 retrospectively from 02.06.2014. Considering the orders, the employees of Company, who retired at the age of 58 were allowed to be reinstated and continue up to the age of 60 years. Though the Company reinstated 25 employees no liability was provided for ₹55.70 lakh of gratuity payable for the service period beyond 58 years which was not covered by actuarial valuation as on reporting date. This resulted in understatement of 'Provisions' and 'Employee Benefits Expense (Note-30)' by ₹55.70 lakh each with consequent overstatement of the Profit for the year by the same amount.

4(b). The Company did not disclose the fact that the post-retirement benefits accounted for in the year 2017-18 based on actuarial valuation did not include the payments made in respect of 25 employees for the service period due to enhancement of superannuation age from 58 years to 60 years.

## **B. Comments on Disclosure**

5. According to Para 8 of Ind AS 18 (Revenue), Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account, and the amounts collected on behalf of third parties such as sales taxes, goods and services taxes (GST) and value



added taxes are not economic benefits which flow to the entity and do not result in increases in equity, therefore, are excluded from revenue. Hence, the Company's significant accounting policy disclosed vide Note-2(f)(i) (Revenue Recognition-Sale of Products) to recognise the sale of goods at gross value of all statutory levies i.e., Royalty, DMF, MERIT, cess collected on behalf of third parties is found deviating from the provisions of applicable Ind AS.

6. Significant Accounting Policy on Inventories under Note 2 stated that the Company recognized closing stock of 500000 MTs of C+D+W Grade of Barytes from financial year 2013-14 onwards and the remaining Stock was considered without value. This accounting policy is not in line with the Ind AS-2 (Inventories) as since sale prices declared for such quantity were available. As on 31 March 2018, there was a closing stock of 63,34,088 MTs of C+D+W Grade of Barytes. However, the Company neither disclosed information about the quantity of 63,34,088 MTs of C+D+W Grade of Barytes, which was remaining outside the books of accounts of the Company nor reasons for the same and financial impact thereon (except disclosure in Note 2).

*For and on behalf of the  
Comptroller and Auditor General of India*

*(Indu Agrawal)*

(Indu Agrawal)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प)

Place: Vijayawada

Date: 17.04.2024

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of Consolidated Financial Statements of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17.09.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Ongole Iron Mining Corporation Limited for the year ended on that date but did not conduct supplementary audit of financial statements of APMDC-SCCL, Saliyani Coal Company Limited and Nuagun Coal Company Limited (which are not Companies of the Government of Andhra Pradesh). Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the entities mentioned in Annexure being private entities for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This Supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

**A. Comments on Consolidated Profitability**

**Expenses**

**Other Expenses (Note-34): ₹67.26 crore**

1. The above does not include ₹437.77 crore payable by the Company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT) as on reporting date. The Company has been required to contribute 10 per cent of sales turnover to MERIT, which was formed by State Government (GO Ms.No.18 dated 13.01.2016) in place of "Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. However, the required amount towards contribution was disclosed as Contingent Liability in Note-37 to accounts, indicating that Company requested (November 2019) the Government for exemption for contributing 10 per cent of sales turnover and fixed amount would be contributed. As per

information (December 2023), no exemption was granted by the State Government-M.R.II. Hence, suitable provision should have been recognised instead of disclosure as Contingent liability. Thus, non-recognition of provision resulted in understatement of 'Other Expenses' and 'Other Current Liabilities' by ₹437.37 crore<sup>1</sup> each with consequent overstatement of the Profit for the year by the same amount.

## **B. Comments on Consolidated Financial Position**

### **Assets**

#### **Non-Current Assets**

##### **Exploration intangible assets under development (Note-3): ₹297.23 crore**

2. The above includes ₹14.08 lakh towards stamp duty paid (May 2013) by the Company for JV Company, viz. APMDC-SCCL Sulyari Coal Company Limited between the Company and Singareni Collieries Company Limited (SCCL) after allotment of Sulyari Coal Block in Madhya Pradesh to the Company by Govt in July 2007. Considering the status of the JV Company as on reporting date, where the JV was inactive and no business commenced due to cancellation of license, provision towards impairment of intangible asset under development should have been recognised. Thus, non-recognition of provision resulted in overstatement of Exploration intangible assets under Development and understatement of Provision by ₹14.08 lakh each with consequent overstatement of Profit by the same amount.

### **Financial assets**

#### **Loans (Note-5): ₹60.52 crore**

3. The Company released ₹60 crore to Andhra Pradesh State Fibernet Limited (APSFIL) during 2017-18 towards interest free loan and classified the same as Loans (Non-current) as disclosed in Note-48 to accounts. As per the repayment schedule mentioned in the agreement with APSFIL, ₹20 crore receivable by the Company in 2018-19 i.e., within one year from the reporting date, qualifies to be a current asset instead of non-current asset. Thus, wrong classification resulted in overstatement of Loans (Non-current) and understatement of Current Assets – Loans (Note-13) by ₹20 crore each.

### **Equity and Liabilities**

#### **Liabilities**

#### **Current Liabilities**

##### **Provisions (Note-24): ₹1.07 crore**

4(a). The Company enhanced of age of superannuation to their employees from 58 to 60 years as per GO Ms.138 dated 08.08.2017 retrospectively from 02.06.2014. Considering the orders, the employees of Company, who retired at the age of 58 were allowed to be reinstated and continue up to the age of 60 years. Though the Company reinstated 25 employees no liability was provided for ₹55.70 lakh of gratuity payable for the service period beyond 58 years which was not covered by actuarial valuation as on reporting date. This resulted in understatement of 'Provisions' and 'Employee Benefits Expense (Note-30)' by ₹55.70 lakh each with consequent overstatement of the Profit for the year by the same amount.

<sup>1</sup> Includes ₹187.15 crore for the period 2015-16 to 2017-18 and ₹250.22 crore for the period up to 2018-19

4(h). The Company did not disclose the fact that the post-retirement benefits accounted for in the year 2017-18 based on actuarial valuation did not include the payments made in respect of 25 employees for the service period due to enhancement of superannuation age from 58 years to 60 years.

**B. Comments on Disclosure**

5. According to Para 8 of Ind AS 18 (Revenue), Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account, and the amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity, therefore, are excluded from revenue. Hence, the Company's significant accounting policy disclosed vide Note-2(191) (Revenue Recognition-Sale of Products) to recognise the sale of goods at gross value of all statutory levies i.e., Royalty, DMF, MERIT, cess collected on behalf of third parties is found deviating from the provisions of applicable Ind AS.

6. Significant Accounting Policy on Inventories under Note-2 stated that the Company recognized closing stock of 500000 MTs of C-D+W Grade of Barytes from financial year 2013-14 onwards and the remaining Stock was considered without value. This accounting policy is not in line with the Ind AS-2 (Inventories) as since sale prices declared for such quantity were available. As on 31 March 2018, there was a closing stock of 63,34,988 MTs of C-D+W Grade of Barytes. However, the Company neither disclosed information about the quantity of 63,34,988 MTs of C-D+W Grade of Barytes, which was remaining outside the books of accounts of the Company nor reasons for the same and financial impact thereon (except disclosure in Note-2).

*For and on behalf of the  
Comptroller and Auditor General of India*

(INDU AGRAWAL)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प.)

Place: Vijayawada

Date: 17.04.2024

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**Annexure**

**List of Subsidiaries, Joint Ventures, and Associate Companies of APMDCL**  
(Reference to Note-43 and 44 in the Consolidated Financial Statements of APMDCL)

Sl. No.	Name of the Entity	Nature of Entity	Relation with the APMDCL
1.	M/s Andhra Phosphate Private Limited	Private	Subsidiary
2.	M/s Andhra Baryte Corporation (P) Ltd	Private	Joint Venture
3.	M/s Andhra Pradesh Iron Ore Company Ltd	Private	Joint Venture
4.	M/s Gimpex AP Barytes Beneficiation (P) Ltd.	Private	Joint Venture
5.	M/s Trimex Barite Private Ltd	Private	Joint Venture
6.	M/s Andhra Pradesh Granites (Midwest) P Ltd	Private	Joint Venture
7.	M/s Pallava Red Granites (P) Ltd	Private	Joint Venture
8.	M/s V.V. Minerals (P) Ltd	Private	Joint Venture
9.	M/s Alliance Andhra Pradesh Black Granites Pvt Ltd.	Private	Joint Venture
10.	M/s Aswani Mineral Development P Ltd.	Private	Associate
11.	M/s Arhaon Minerals Exports (P) Ltd.	Private	Associate
12.	M/s Isra Minerals Exports (P) Ltd	Private	Associate
13.	M/s Margasree Granites (P) Ltd.	Private	Associate
14.	M/s Ongole Minerals Exports (P) Ltd.	Private	Associate
15.	M/s RLP Granites (P) Ltd	Private	Associate
16.	M/s SRAP Mineral (P) Ltd.	Private	Associate
17.	M/s A.P. Coastal Sands and Metals Pvt Ltd	Private	Associate
18.	M/s Andhra Pradesh Tribul Mining (P) Ltd	Private	Associate

(INDU AGRAWAL)

Principal Accountant General (Audit)

प्रधान महालेखाकार (ले.प.)

Place: Vijayawada

Date: 17.04.2024





प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय,  
आन्ध्र प्रदेश, विजयवाडा - 520 002.  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)  
ANDHRA PRADESH, VIJAYAWADA - 520 002.



Lr.No.PAGAUAP/AMG-JBTSC-I/APMDCL-FY18/2024-25/36

Date: 17 April 2024

To  
The Managing Director,  
Andhra Pradesh Mineral Development Corporation Limited  
D.No.294, 1/D, 100 Feet, Kannur to Nidamanur Road,  
Krishna District, Andhra Pradesh - 521 137.

**Sub:** Management Letter- audit observations on deficiencies in internal controls noticed in connection with Supplementary Audit of Annual Accounts of Andhra Pradesh Mineral Development Corporation Limited for the year ended 31 March 2018.

Sir,

The following Provisional Comments and other audit observations on the financial statements of the Company issued to the Management are not pursued through CAG comments based on the replies /assurance of the Management.

- 1) The Company had written letter (10.06.2016) to the Member Secretary, MERIT stating that the Company had incurred expenditure of ₹ 2.11 crore on behalf of Director of Mines and Geology, GoAP from the contribution payable to MERIT from time to time and indicated net amount of ₹11,04,974/- as receivable from DMG after adjusting the expenditure with amount due to MERIT (erstwhile DMRUTF). Hence, no contribution was actually remitted to MERIT. Subsequently, the amount receivable from DMG was arrived at ₹14,71,970/- while computing contribution due to MERIT for the year 2016-17 & 2017-18 after netting the expenditure incurred on behalf of DMG. As incurring any expenditure out of funds of MERIT before actually remitting to MERIT without authority of MERIT is not found conforming to the Orders of the Government (GO Ms. No. 18 dated 13.01.2016), the Company should review all expenditure of ₹ 2.11 crore incurred by the Company so far and recognise the corresponding amount as receivable from DMG in the books of accounts of the Company instead of setting off with contribution due to MERIT. (It may be noted that CAG comment for recognising full amount of liability towards MERIT instead of disclosure of Contingent liability in Note-37 to the accounts is issued separately). Thus, omission to account for receivables coupled with incorrect setting off adjustment indicate material misstatement in the financial statements, which needs rectification.
- 2) The Company had awarded (22-2-2017) a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-Sale-Contract (RCSC) basis to M/s. CNR Tiles & Sanitary (Contractor). As per the terms and conditions of the agreement with Contractor, the contractor shall lift the material of stock within three months from expiry of contract, failing which the material that were not lifted shall be the sole property of the Company and the Company shall have the right to sell them at any price to any buyer. The contract was terminated by Company on 23-3-2020 and a fresh RCSC contract was awarded to

another contractor on 27-04-2020. Total stock remaining in the mine premises as at the end of March 2018 was 1.37 lakh MTs. Since the contract was terminated and the stock of 1.37 lakh MTs (including OB of 90,729 MTs) was left unsold by the Contractor, considering the agreement condition mentioned above, the stock as on 31-03-2018 would be the property of the Company. As the annual accounts for the year 2017-18 were approved in September 2022, before which the contract with Contractor was terminated, the Company did not take the stock of 1.37 lakh MTs was left unsold by the contractor into books of accounts. **Thus, omission to account for Company's stock indicates lack of proper internal controls on financial reporting.**

- 3) Note-18 is cross-referenced to Note-45 as 'Others', whereas Note-45 refers to disclosure of particulars of CSR Expenditure for the year and previous year. Hence, cross-referencing to Note-45 is not correct, hence wrong **disclosure needs rectification** in the financial statements. Incorrect reporting also indicates ineffective operation of internal controls on financial reporting.

**The Management confirmed that the same will be rectified at the time of printing the annual report.**

- 4) The Company has mining rights for Barytes (Mangampeta), Ball Clay (Dwaraka Tirumala), Granite (Chinnakurty) as at the end of March 2018. Out of these, APMDC is mining Barytes and Ball clay on its own, while for Granite quarry, APMDC had subleased the mines to JV Companies established by it with private partners. The disclosure of cost of mining rights should have been ensured in line with Ind AS 106. Further, accounting and disclosure of decommissioning cost of ₹17.85 lakh (WDV as at 31 March 2018) recognised as "Mining Property" should be reviewed to comply with applicable Ind AS.
- 5) As per Notes under Part-C of Schedule II to the Companies Act, 2013, the Company shall also disclose information in the accounts, inter alia, about depreciation methods used. Further, Para-73 (b) of Ind AS 16 'Property, Plant and Equipment (PPE)' stipulates that the financial statements shall disclose, the depreciation methods used for each class of PPE. However, the Company's accounting policy at Item-2(g) of Note-2 did not disclose the 'method of depreciation used for PPE' violating the provisions of Ind AS and the Schedule-II. Hence, the accounting policy on PPE is found deficient to that extent.
- 6) As per provisions of Section 143(2) of the Companies Act, 2013 the Statutory Auditors shall make a report to the members of the Company. However, the Independent Auditors Report dated 17.09.2022 addressed the Auditor Report in the Members of 'Andhra Mineral Development Corporation Limited' thereby missing the word 'Pradesh' in place of the Andhra Pradesh Mineral Development Corporation Limited. **The same needs correction in view of the Management's reply to rectify the same at the time of printing annual report.**
- 7) Para 24 under Consolidation Procedure of Ind AS 27 stipulates that Consolidated Financial Statements shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances. Though accounting policies followed by the Company and its joint venture i.e., Andhra Pradesh Granite (Midwest) Private Limited (JV) were different in respect of revenue recognition and depreciation on PPE, as mentioned below, the Company neither disclosed the fact nor impact. The Company has to comply with the Provisions of Ind AS 27 and Schedule II of the Companies Act, 2013.

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The above observations may be kept in view while preparing financial statements for the forthcoming year. Further point wise reply of the management to the above comments may be furnished while submitting next financial statements to this office for supplementary Audit or to the Audit team of this office during their field visit in connection with the supplementary Audit of the Company for further verification.

Yours faithfully,

**BHASKAR** Digitally signed by  
**KALLURU** BHASKAR KALLURU  
Date: 2024.04.17  
20:52:38 +05'30'

**Senior Deputy Accountant General**

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Address : 8th Floor, Stalin Central Mall, M G Road, Government, Vijayawada - 520 002  
Website : [www.apnandhaapradesa.org](http://www.apnandhaapradesa.org) Email : [apnandhaapradesa@gmail.com](mailto:apnandhaapradesa@gmail.com)



## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
The Andhra Mineral Development Corporation Limited

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements, that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

#### Basis for Qualified Opinion

- i) The company has passed entries for bifurcation in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the amounts transferred by the Company to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by TSMDC. Further, The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. In the absence of information, we are not able to ascertain the impact on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	38,96,55,505	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	60,04,11,188	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	1,10,80,15,026	Cr
4	APMDC - TSMDC - Advances	8	Other Non-current Assets	21,60,18,311	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	8	Other Non-current Assets	76,91,49,222	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	5,98,62,55,430	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,48,08,809	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	97,26,42,727	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,07,15,374	Dr





10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	16,98,01,235	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	24,39,261	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	5,19,61,836	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	1,30,18,006	Dr
14	Int. on Fixed Deposits	27	Other Income	34,42,72,015	Cr
15	Int. on FD kept for BG	27	Other Income	90,53,788	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	4,39,23,750	Cr
17	Int. on Sweep account SBIkh	27	Other Income	50,18,194	Cr

- i) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2018 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.
- ii) The following Ledger balances as on March 31, 2018 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2018 (in Rs.)
Adv to EE Panch. Raj Dep(RIPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	28,52,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	1,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone Ind AS financial statements.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone Ind AS financial statements.
- v) Inventories consisting of Finished Goods amounting to Rs. 82,59,92,232 and Stores and Spares amounting to Rs. 1,17,47,892 have not been physically verified during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores



and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the standalone Ind AS Financial Statements could not be ascertained.

- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Ind AS Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Non-Current Deposits, Special incentive on net profit payable and Deposit for Court Fees payable amounting to Rs. 32.66 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone Ind AS financial statements.
- viii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit), Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit), Pre Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chlmakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of seignorage fee of Rs. 0.35 crores (Credit), Deposit for court fee payable of Rs. 0.03 Crores (credit), Deposit for stamp duty payable of Rs. 0.10 Crores (Credit) and Service tax payable (Head Office) amounting to 5.24 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone Ind AS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Company has balances in Income Tax Assets amounting to Rs. 76.05 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone Ind AS financial statements.
- x) The company has Trade Receivables balance amounting to Rs. 142.33 Crores. Balance confirmations from Parties under Trade Receivables amounting to Rs 138.42 Crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone Ind AS financial statements.





- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings. -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-IV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone Ind AS financial statements.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to the following:

- Note No 35 of the standalone Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores pertaining to Financial Year 2016-17. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.
- Note No 47 of the standalone financial statements wherein the Company has sanctioned an interest free loan to M/s Andhra Pradesh State FiberNet Limited amounting to Rs. 100 Crores and disbursed an amount of Rs. 60 Crores during the Financial Year 2017-18. However, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule as specified in the loan agreement dated 22<sup>nd</sup> July 2017 has not been adhered to and revised loan agreement has not been entered into. Accordingly, the loan has been stated at transaction price.

Our opinion is not modified in respect of the above matter.



#### **Other Matters**

The financial statements of the Company for the year ended March 31, 2017 are not adopted by the members of the company at the adjourned Annual General Meeting held on July 14, 2022 due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017, the Board of Directors of the Company in their meeting held on 17<sup>th</sup> September 2022 approved the financial statements for the year ended March 31, 2018. Consequently, we have completed our audit for the year ended March 31, 2018 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2017. The reported amounts as on March 31, 2018 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and subsequent approval at the Annual General Meeting.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Qualified Opinion paragraphs above and our separate report on the Internal Controls over Financial Reporting.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
  - e) As per Notification GSR 463 (6) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.



g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-

- i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 37 to the Standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.



Place: Vijayawada  
Date: 17<sup>th</sup> September 2022

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 ASWRFI 4358



**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2018)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2018, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangammapeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount- 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we cannot comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained



- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
5	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
6	VAT/Sales Tax	Tax on Explosive- 2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
7	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures as at Balance Sheet date.
- (ix) The Company did not raise any money by way of Initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



- (xi) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause 3(xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable.



Place: Vijayawada  
Date: 17<sup>th</sup> September 2022

For Sri Ramamurthy & Co  
Chartered Accountants  
FRN 0030325

*P.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 ASW RFI 4358

### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2018)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

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

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.





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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.





We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company as at March 31, 2018 and these material weaknesses has affected our opinion on the standalone Ind AS financial statements of the Company and we have issued a Qualified opinion on the financial statements of the Company.



Place: Vijayawada

Date: 17<sup>th</sup> September 2022

For Sirramamurthy & Co  
Chartered Accountants  
FAN 003032S

CA. D. TEJASGAR  
Partner  
Memb No: 227878

UDIN: 22227878ASWRPI4358

**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds/Possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved	According to the information and explanations given to us and on the basis of our examination of the records of the company, There are no cases of waiver/ write off of debts/loans/interest during the Financial Year 2017-18.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2017-18.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.</p>



	e) The quantitative details of the bills sent for clearing against the PO account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis,	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically not verified the inventory and stores and spares in FY 2017-18. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.





11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the FY 2017-18.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/MS-KDP/2013 dt 25/05/2016 which is effective for FY 2017-18.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2017-18.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Standalone Ind AS financial statements.

Place: Vijayawada

Date: 17<sup>th</sup> September 2022



For Sriramamurthy & Co  
Chartered Accountants

FRN 0030325

*D.T. Sagar*

CA D TEJA SAGAR  
Partner

Memb No: 227878

UDIN: 22227878 ASWRFI 4358



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Balance Sheet as at 31<sup>st</sup> March, 2018**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	437,749	394,248
Intangible assets	3	1,760	194
Exploration intangible assets under development	3	2,972,252	2,936,532
Capital work in progress	3	12,822	8,392
Intangible asset under development		-	1,838
<b>Financial assets</b>			
Investments	4	11,027	22,027
Loans	5	605,230	2,998
Other financial assets	6	7,181,201	7,064,845
Deferred tax assets (net)	7	87,332	69,429
Other non-current assets	8	1,648,574	1,531,376
Non-current tax assets (net)	9	760,498	726,074
<b>Current assets</b>			
Inventories	10	836,941	1,452,053
<b>Financial assets</b>			
Trade receivables	11	1,423,386	326,167
Cash and cash equivalents	12.1	149,694	234,508
Other bank balances	12.2	2,414,702	293,148
Loans	13	724	1,001,241
Other financial assets	14	253,117	268,631
Other current assets	15	555,152	982,345
<b>TOTAL ASSETS</b>		<b>19,352,161</b>	<b>17,316,047</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	15,280,754	13,558,561
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	2,566,789	2,447,061
Provisions	19	50,293	46,784
Other non-current liabilities	20	79,232	77,570
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	240,681	259,181
Other financial liabilities	22	729,925	796,913
Other current liabilities	23	20,136	15,433
Provisions	24	10,746	24,023
Current tax liabilities (net)	25	310,547	27,459
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,352,161</b>	<b>17,316,047</b>
<b>Notes to financial statements</b>	<b>1-52</b>		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
D. T. Sagar  
Partner  
Mem No. 227878



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

D. Ramadevi  
Director  
DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A



Place: Vijayawada  
Date: 17<sup>th</sup> September, 2022

UDIN: 20227878 ASWAPF 4358

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2018**  
 All amounts are in thousands, unless otherwise stated

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	26	5,765,707	5,657,969
Other income	27	553,075	711,668
<b>Total (i)</b>		<b>7,319,782</b>	<b>6,369,637</b>
<b>Expenses</b>			
Cost of materials consumed	28	22,231	39,333
Change in inventories of finished goods	29	620,647	(842,145)
Employee benefits expense	30	321,319	257,970
Finance costs	31	79,177	76,447
Depreciation and amortization expense	32	46,854	44,437
Power and fuel		59,656	71,997
Excavation & transport charges	33	2,737,476	3,173,342
Other expenses	34	672,626	601,246
<b>Total (ii)</b>		<b>4,508,991</b>	<b>3,416,622</b>
<b>Profit before exceptional items and tax</b>		<b>2,810,791</b>	<b>2,953,015</b>
Add : Exceptional items (Net)	35	-	2,185,664
<b>Profit before tax</b>		<b>2,810,791</b>	<b>5,138,679</b>
Less : Tax expense/(benefit)			
Earlier years		-	4,976
Current tax		1,090,085	1,237,965
Deferred tax		(12,990)	724,236
<b>Total tax expense/(benefit)</b>		<b>1,077,095</b>	<b>1,967,177</b>
<b>Profit from continuing operations</b>		<b>1,733,696</b>	<b>3,171,502</b>
Profit/(loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
Profit/(loss) from discontinuing operations		-	-
<b>Net profit/(loss) for the year (A)</b>		<b>1,733,696</b>	<b>3,171,502</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(5,417)	(1,242)
Income tax on above items		4,914	(1,468)
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(503)</b>	<b>(3,710)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,733,193</b>	<b>3,167,791</b>
<b>Earnings per equity share (in Rs) -</b> <b>(Nominal value of share Rs.1000 /-)</b>			
- Before exceptional item		<b>27,491.93</b>	<b>27,588.77</b>
- After exceptional item		<b>27,491.93</b>	<b>50,291.80</b>
<b>Basic and diluted:</b> Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*P.T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No.227878



*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

*D. Ramadevi*  
 D. Ramadevi  
 Director  
 DIN: 08076094

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A



Place : Vijayawada  
 Date : 17<sup>th</sup> September, 2022

UDIN: 20227878 ASW RFI 4358

**Statement of Changes in equity for the year ended 31-03-2018**

**A. Equity share capital**

Particulars	No. of Shares	Amount (Rs. in '000's)
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 31 <sup>st</sup> March, 2018	63,062	63,062

**B. Other Equity**

Particulars	Reserves and Surplus			Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General Reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Deferred tax on OCI Items	
Balance at the beginning of reporting period - 31-03-2016	22,000	8,000	1,704,851	4,682,127	15,657	543	10,406,897
Profit for the year	-	-	-	3,175,543	-	-	3,175,543
Impact of correction of errors of earlier years	-	-	-	(26,185)	-	-	(26,185)
Other comprehensive income for the year	-	-	-	-	-	(2,242)	(3,710)
Total comprehensive income for the year	-	-	-	3,175,543	-	(2,242)	3,171,833
Transfer to reserve for bad and doubtful debts	-	10,600	-	(10,600)	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(6,439)	-	4,951	1,448
Balance at the beginning of reporting period - 31-03-2017	22,000	18,600	1,704,961	4,875,690	(3,087)	(5,075)	13,858,581
Profit for the year	-	-	-	1,733,656	-	-	1,733,656
Other comprehensive income for the year	-	-	-	-	-	(2,437)	(2,437)
Total comprehensive income for the year	-	-	-	1,733,656	-	(2,437)	1,731,219
Transfer to reserve for bad and doubtful debts	-	62,071	-	(62,071)	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(2,203)	-	5,417	3,214
Balance at the end of reporting period - 31-03-2018	22,000	81,671	1,704,961	4,813,619	(5,697)	3,406	15,880,254

As per our report of even date

For and on behalf of the Board of Directors

For Streamamurthy & Co  
Chartered Accountants  
Firm Regn No: 00303325

*Dr. Teja Sagar*  
Partner  
Mem No. 227828

*V. S. Venkata Reddy*  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
Director  
DIN: 04020094



Place: Vijayawada  
Date: 17<sup>th</sup> September, 2022



UDIN: 22-22-2828 AS12 R.F.E 4358

The Andhra Pradesh Mineral Development Corporation Limited

Cash flow statement for the year ended 31<sup>st</sup> March, 2018

All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operations	28,10,791	51,38,679
Adjustments for:		
Interest expense	79,172	76,447
Interest income	(5,47,641)	(6,36,004)
Dividend income	-	(1,400)
Depreciation/amortization on continuing operations	46,854	41,432
Bad & doubtful debts	16,260	41,922
Bad & doubtful advances	3,424	4,503
Assets written off	-	45
Provision for diminution in value of investments	-	10
Remeasurement of defined benefit plans	(5,417)	(2,242)
Provision no longer require written back	2	9,546
<b>Operating profit before working capital changes</b>	<b>23,53,455</b>	<b>46,72,938</b>
Adjustment for working capital:		
Increase/(decrease) in trade payables	(18,500)	1,71,263
Increase/(decrease) in provisions	2,73,319	(21,76,957)
Increase/(decrease) in other financial liabilities	52,737	15,86,081
Increase/(decrease) in other liabilities	5,366	(1,66,950)
Decrease/(increase) in trade receivables	(11,13,474)	(2,28,479)
Decrease/(increase) in inventories	6,15,117	(8,40,535)
Decrease/(increase) in other assets	3,06,800	7,89,491
Decrease/(increase) in other financial assets	(1,00,841)	(6,98,243)
<b>Cash generated from operations</b>	<b>23,74,969</b>	<b>26,09,511</b>
Direct taxes paid (net of refunds)	11,24,509	12,42,962
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>12,50,460</b>	<b>13,66,548</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant, equipment, including intangible assets under development	(1,30,473)	(17,30,839)
Bank deposits	(21,21,553)	8,64,342
Loans repaid / Given to related parties	3,98,284	(9,62,623)
Interest received	5,17,641	6,36,004
Dividends received from subsidiaries & joint ventures	-	4,400
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(13,06,101)</b>	<b>(12,08,516)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(29,173)	(76,447)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(29,173)</b>	<b>(76,447)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(84,814)</b>	<b>81,585</b>
Cash and cash equivalents at the beginning of the year	2,34,508	1,52,923
<b>Cash and cash equivalents at the end of the year</b>	<b>1,49,694</b>	<b>2,34,508</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	135	89
With banks accounts	1,49,559	2,34,420
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>1,49,694</b>	<b>2,34,508</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report of even date

For and on behalf of the Board of Directors

For Sriramamurthy & Co

Chartered Accountants

Firm Regn No: 0030325

*J.T. Sagar*

Dondeti Teja Sagar

Partner

Mem No.227878

Place: Vijayawada

Date : 17<sup>th</sup> September, 2022



*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
D. Ramadevi  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A



UDIN: 22227878 ASWRFI 4358



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb, 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/10, 100 ft road, Kanuru Village, Penamalluru Mandal, Vijayawada, Andhra Pradesh- 521137

### 2. Significant Accounting Policies

#### a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 as amended and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.





### **Judgements**

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

### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.



An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.



#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.



Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).



Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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





The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.



**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.



**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-



- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The company has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

#### **r. Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

#### **s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.





**Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:



- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.



Evaluation expenditures are capitalised as intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



**The Adithi Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment, CUM, Intangible Assets, Intangible Assets under development for the year ended 31-03-2018**

note -3

Particulars	Gross block			Depreciation			Net block			
	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation For the Year	Disposals/ Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2018	Net carrying amount as at 31.03.2017
Free hold land	2,27,947	-	-	2,27,947	-	-	-	-	2,27,947	2,27,947
Buildings	37,041	11,901	1,781	47,162	7,154	5,832	3,781	11,256	29,927	23,858
Plant and machinery	1,11,897	31,128	-	1,43,025	29,739	17,299	-	47,038	95,987	81,158
Furniture & fixtures	3,276	9,160	-	12,436	1,426	1,191	-	2,617	9,819	1,850
Leasehold improvements	4,101	-	-	4,101	4,432	3,632	-	6,064	3,677	4,709
Office equipment	6,123	13,540	-	19,663	3,436	3,988	-	7,424	12,239	1,697
Mining and equipment	66,036	35	-	66,071	21,857	9,854	-	32,706	33,765	43,184
Data processing equipment	11,812	2,128	-	13,940	7,518	3,423	-	10,941	2,959	4,294
Tools & dies	2,934	-	-	2,934	1,316	1,033	-	2,249	685	1,718
Lease hold improvements	3,230	21,864	-	25,094	3,230	1,945	-	5,175	19,919	-
Mining property	1,976	-	-	1,976	142	49	-	131	2,185	1,834
Total	4,75,414	89,796	1,781	5,63,389	61,185	46,248	1,781	1,25,640	4,37,749	3,94,237
Intangible Assets										
Particulars	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation For the Year	Disposals/ Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2018	Net carrying amount as at 31.03.2017
Computer software	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Total	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Exploration intangible assets under development										
Intangible asset under development	29,52,569	35,720	16,037	29,72,252	-	-	-	-	29,72,252	29,35,532
Capital work in progress	1,838	-	1,838	-	-	-	-	-	-	1,838
Total	8,392	12,822	8,392	12,822	-	-	-	-	12,822	2,592



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to standalone financial statements for the year ended 31<sup>st</sup> March, 2018**  
 All amounts are in thousands, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2018	March 31, 2017
	<b>Unquoted equity investments - investments measured at cost</b>		
	<b>Investments in subsidiary companies</b>		
	i. M/s APMDCL SECL Sulluri coal company limited		
	5,100 shares allotted of Rs.10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Nuzvid coal company limited		
	3,000 equity shares of Rs. 100/- each fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s. Ongole iron ore mining company private limited		
	56,100 equity shares of Rs. 10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited.		
	1,110 equity shares of Rs.1,000/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	<b>Investment in Associates</b>		
	v. M/s. Aswani mineral development private limited		
	65,000 equity shares of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Arrium minerals exports private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Iria minerals exports private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalore granites private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RSP granites private limited		
	3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A.P. coastal sands & noreph private limited.		
	13,000 equity shares of Rs.10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh tribal mining private limited		
	28,600 equity shares of Rs.10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)
	<b>Investment in Joint Ventures</b>		
	xiv. M/s. A.P. granites (midwalal granite limited)		
	11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000
	xv. M/s. Alliance A.P. Black gallery granites private limited		
	11,00,000 equity shares of Rs. 10/- each fully paid up	11,000	11,000
	Less: Provision made for diminution in the value of shares	(11,000)	(11,000)





vi. M/s Pallava red granite private limited 71,00,000 equity shares of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 -
vii. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
viii. M/s Andhra baryte corporation private limited 8,52,500 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
ix. M/s Andhra Pradesh iron ore company limited 6,850 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
x. M/s Tilmor baryte private limited 4,50,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xi. M/s V.V. Minerals private limited 1,100 equity shares of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
Investments represented as amortised cost Investment in Government Securities (Unquoted) Less: Provision made for doubtful investment	7,114 (7,082) 11,027	7,114 (7,082) 11,027
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	11,027	11,027
Aggregate provision for diminution in value of investments	38,497	38,497
Aggregate Provision made for doubtful investment	7,404	7,404

5	Loans (Non-current)	As at March 31, 2018	As at March 31, 2017
	Security deposits		
	Unsecured, considered doubtful	9,291	9,294
	Less: Provision for doubtful debts	(9,291)	(9,294)
	Loans to companies		
	Loan to AP state Barytes & mica - Refer Note: 47		
	Unsecured, considered good	600,000	-
	Vehicle loans to staff		
	Unsecured, considered good	4,235	2,063
	Other Loans to staff		
	Unsecured, considered good	995	494
	Unsecured, considered doubtful	68	10
	Less: Provision for doubtful items	(68)	(10)
	<b>Total</b>	<b>605,230</b>	<b>2,567</b>

6	Other Financial Assets (Non-Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good - Refer note: 48		
	Balance in current account	6,779	6,779
	Long term bank deposits	7,103,707	6,991,178
	Sweep accounts	70,713	66,742
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(3,996)
	<b>Total</b>	<b>7,181,201</b>	<b>7,068,645</b>



7	<b>Deferred tax asset (Net)</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>Deferred tax asset</b>		
	Property, plant & equipment	11,121	6,182
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	8,421	4,724
	Provision for decommissioning costs	17,405	16,191
	Provision for bad & doubtful debts, investments & advances	51,921	47,207
	<b>Gross Deferred tax asset</b>	<b>89,878</b>	<b>74,505</b>
	<b>Deferred tax liability</b>		
	Investment	(2,538)	(5,076)
	<b>Gross deferred tax liability</b>	<b>(2,538)</b>	<b>(5,076)</b>
	<b>Deferred tax asset - net</b>	<b>87,332</b>	<b>69,429</b>
8	<b>Other non-current assets</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>A) Capital advances</b>		
	Unsecured, considered good	739,387	774,615
	Unsecured, considered doubtful	26,023	26,000
	Provision for doubtful advances	(26,023)	(26,000)
		<b>739,387</b>	<b>774,615</b>
	<b>B) Advances other than capital advances</b>		
	Unsecured, considered good	1,014,277	904,805
	Unsecured, considered doubtful	24,872	22,160
	Less: Provision for doubtful advances	(24,872)	(22,160)
		<b>1,014,277</b>	<b>904,805</b>
	<b>C) Others - Specified</b>		
	Unsecured, considered good	194,016	386,956
	Unsecured, considered doubtful	12,164	8,852
	Less: Provision for doubtful advances	(12,164)	(8,852)
		<b>194,016</b>	<b>386,956</b>
	<b>Total</b>	<b>1,648,574</b>	<b>1,532,376</b>
9	<b>Non-current tax assets (Net)</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	<b>Advances tax</b>		
	Corporate tax receivable	760,498	726,053
	Tax collection at source	-	31
	<b>Total</b>	<b>760,498</b>	<b>726,074</b>
10	<b>Inventories</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	Finished Goods	825,952	1,445,039
	Less: Provision made	(799)	(799)
	Stores and spares	11,748	7,213
	<b>Total</b>	<b>836,941</b>	<b>1,452,052</b>



11	Trade receivables (Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good	1,423,386	326,167
	Unsecured, considered doubtful	58,564	46,280
	Less: Provision for doubtful trade receivables	(58,564)	(46,280)
	Total	1,423,386	326,167
12.1	Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	1,49,559	234,420
	Cash on hand	135	89
	(A)	1,49,694	234,509
12.2	Other bank balances		
	in sweep accounts	1,414,707	293,148
	Fixed deposits with maturity > 3 months but < 12 months	1,000,000	-
	(B)	2,414,707	293,148
	Total	3,911,391	527,657
13	Loans (current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good		
	Vehicle loans to staff	350	89.2
	Short term loan to AP State Fibre net limited. Refer Note - 47	-	1,000,000
	Other loans to staff	374	244
	Total	724	1,089,241
14	Other financial assets (Current)	As at March 31, 2018	As at March 31, 2017
	Deposit with others	37	54
	Secured, considered good		
	Advances receivable as cash		
	Unsecured, considered good	623	263
	Interest accrued on deposits	257,054	211,863
	Less: Provision made	(4,595)	(4,539)
	Total	253,117	268,631
15	Other current assets	As at March 31, 2018	As at March 31, 2017
	A) Advances Receivable		
	Unsecured, considered good	63,844	63,374
	Doubtful	-	-
	Less: Provision for doubtful items	-	-
		63,844	63,374
	B) Others - Specified		
	Balance with statutory authorities	450,491	893,447
	Prepaid expenses	40,817	25,724
		491,308	919,171
	Total	955,152	982,545



16	Share capital	As at March 31, 2018	As at March 31, 2017
<b>Authorized share capital:</b>			
1,00,000 equity shares of Rs.1000/- each (Previous year - 1,00,000 equity shares of Rs. 1000/- each)	100,000	100,000	
	100,000	100,000	
<b>Issued, subscribed and fully paid up share Capital:</b>			
63,062 equity shares of Rs.1000/- each fully paid up in cash (Previous year - 63,062 equity shares of Rs.1000/- each)	63,062	63,062	
	63,062	63,062	

16.3 Additional notes

Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018	As at March 31, 2017
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

16.4 the company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

16.5 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the Share holder	As at March 31, 2018	As at March 31, 2017
Government of the Andhra Pradesh- represented by Assistant Secretary to Government (mines) Industries & Commerce department	63,059 (100%)	63,059 (100%)

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Other equity	As at March 31, 2018	As at March 31, 2017
<b>Capital Reserves</b>		
Free reserve equity shares for consideration other than cash allowed by		
<b>i. M/s. Aswani mineral development private limited.</b>		
66,000 equity shares of Rs.10/- each fully paid up	660	660
Less: Provision made for diminution in the value of shares	(660)	(660)
<b>ii. M/s SRAP mineral private limited</b>		
3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
<b>iii. Ardhani minerals exports private limited.</b>		
1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
<b>iv. HPS minerals exports private limited</b>		
1,30,000 equity shares Rs. 10/- each fully paid up	1,300	1,300
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
<b>v. Margaree granites private limited</b>		
1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
<b>vi. Ongole minerals exports private limited</b>		
3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
Less: Provision made for diminution in the value of shares	(3,250)	(3,250)



ya. RUP granites private limited 3,25,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vi. M/s.A.P.granites(midwest) private limited 11,00,000 equity shares of Rs. 10/- each fully paid up	11,000	11,000
vi. M/s.affiance A.P.black galaxy granites private limited 11,00,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
vii. M/s.Palava red granites private limited 11,00,000 equity shares of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000
viii. M/s. A.P coastal sands & metals private limited, 13,000 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
ix. M/s.Ongole Iron ore mining company private limited 561,000 equity shares of Rs. 10/- each fully paid up Less: Provis on made for diminution in the value of shares	561 (561)	561 (561)
x. M/s.Gripax A.P barytes participation private limited 1,320 equity shares of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xi. M/s.Andhra baryte corporation private limited 8,52,500 equity shares Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xii. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares of Rs. 10/- each fully paid up Less: Provis on made for diminution in the value of shares	69 (69)	69 (69)
xiii. M/s. Times baryte private limited 4,50,000 equity shares of Rs. 10/- each full paid up Less: Provis on made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xiv. M/s. V.V. minerals private limited 1,100 equity shares of Rs. 100/- each full paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Equity instruments (through OCI)</b>	<b>11,000</b>	<b>11,000</b>
Opening balance	17,482	110,191
Other comprehensive income for the year	(503)	(3,710)
Add/(Less): Transferred from/(To) retained earnings	7,385	6,420
Closing balance	-	(7,482)
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	18,589	8,000
Add/(Less): Transferred from to profit and loss account	62,471	10,490
Closing balance	81,060	18,489
<b>General Reserve</b>		
Balance as per the last Financial Statements	1,704,961	1,704,961
Closing balance	1,704,961	1,704,961





<b>Surplus/(Deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	11,870,352	3,665,999
Profit for the year	1,753,696	2,171,501
	13,554,048	11,837,500
<b>Less: Appropriations</b>		
Transferred from/to other comprehensive income	2,985	6,419
Reserve for bad and doubtful debts	42,871	14,640
Total appropriations	20,856	17,109
<b>Net surplus in statement of profit and loss</b>	<b>13,493,232</b>	<b>11,820,392</b>
<b>Total reserves and surplus taken to balance sheet</b>	<b>15,280,754</b>	<b>13,596,591</b>
<b>18 Other financial liabilities (Non-Current)</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Expenses payable against infrastructure development	70,320	65,100
Deposits	17,284	10,490
Others - refer note-45	2,879,185	1,243,071
<b>Total</b>	<b>2,546,785</b>	<b>2,447,061</b>
<b>19 Provisions (Non-current)</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Provision for Others:		
Provision for decommissioning cost	50,293	46,784
<b>Total</b>	<b>50,293</b>	<b>46,784</b>
<b>20 Other Non-current liabilities</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Statutory liabilities	79,292	72,570
<b>Total</b>	<b>79,292</b>	<b>72,570</b>
<b>21 Trade payables (Current)</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Trade payables:		
Due to micro enterprises and small enterprises	-	-
Due to creditors other than micro enterprises and small enterprises	240,681	259,181
<b>Total</b>	<b>240,681</b>	<b>259,181</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below:		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
a) Principal amount and interest due thereon	-	-
b) Interest paid in terms of section 16 of MSME Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSME Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSME Act, 2006	-	-
Due to the micro and small enterprises have been determined in the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors		



22	Other financial liabilities (Current)	As at March 31, 2018	As at March 31, 2017
	Salaries & other benefits payable	14,718	13,357
	Security deposits from customers	253,272	282,678
	Other payables	442,865	485,876
	Total	710,855	781,911
23	Other current liabilities	As at March 31, 2018	As at March 31, 2017
	Statutory liabilities	20,136	15,433
	Total	20,136	15,433
24	Provisions (Current)	As at March 31, 2018	As at March 31, 2017
	Provision for employee benefits	8,140	9,788
	Provision for gratuity	2,636	14,305
	Provision for leave benefits	10,748	24,023
	Total	21,524	48,116
25	Current tax liabilities	As at March 31, 2018	As at March 31, 2017
	Provision for income tax	310,547	27,459
	Total	310,547	27,459



**The Andhra Pradesh Mineral Development Corporation Limited**  
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 All amounts are in thousands, unless otherwise stated

26	<b>Revenue from operations</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Sale of products	7,457,841	6,254,841
	Less: Statutory levies	849,356	794,309
	Net sales	6,608,485	5,460,532
	Sale of services	156,222	297,437
	<b>Total</b>	<b>6,764,707</b>	<b>5,757,969</b>
27	<b>Other income</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Interest income		
	Bank deposits	461,486	635,017
	Loans	252	218
	Others	85,924	18,037
	Other (miscellaneous) income	1,246	13,295
	Rent receipts	709	654
	Forfeiture of security deposits	2,488	462
	Penalty on buyers/sellers	35	28,579
	Sale of tender documents	996	899
	Sale of scrap	57	36
	Freight & insurance on despatches	-	376
	Dividend from M/s. A.P. Granates (midwest) Private Limited	-	4,400
	Excess provision written back	2	9,546
	<b>Total</b>	<b>533,075</b>	<b>711,648</b>
28	<b>Cost of materials consumed</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Consumption of packing material	22,231	33,333
	<b>Total</b>	<b>22,231</b>	<b>33,333</b>
29	<b>Changes in inventories of finished goods</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	a) Opening stock of finished goods	1,445,639	603,494
		1,445,639	603,494
	b) Closing stock of Finished Goods	825,992	1,445,639
		825,992	1,445,639
	<b>Changes in inventories of finished goods</b>	<b>619,647</b>	<b>(842,145)</b>



30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Salaries and wages	189,561	192,498
	Employer's contribution to PF and other funds	109,155	26,798
	Staff welfare and other expenses	22,603	38,673
	<b>Total</b>	<b>321,319</b>	<b>257,970</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Interest on advance from customers	-	73,183
	Unwinding of discounting of provision for decommissioning	3,509	3,264
	Other interest	25,663	-
	<b>Total</b>	<b>29,172</b>	<b>76,447</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Depreciation of tangible assets	44,203	44,206
	Amortization of intangible assets	661	226
	<b>Total</b>	<b>44,864</b>	<b>44,432</b>
33	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Excavation & transport charges for RDM	213,813	401,145
	Excavation & transport charges for overburden	2,523,663	2,772,197
	<b>Total</b>	<b>2,737,476</b>	<b>3,173,342</b>
34	<b>Other expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Rents	13,905	10,390
	Repairs & maintenance	8,673	13,296
	Insurance	1,047	667
	Rates and taxes	473	21,999
	Other expenses	-	-
	Operating expenses	104,323	163,375
	Royalty & other levies	15,706	7,165
	Selling expenses	26,011	74,107
	Prospecting & mining lease expenses	20,710	16,199
	Office & general expenses	62,347	74,308
	Audit fee for statutory auditors	500	500
	Audit fee for other auditors	436	506
	Expenses to auditors	45	129
	Printing & stationery	2,475	3,147
	Postage, telegrams & telephones	5,631	4,987
	Corporate social responsibility expenses	137,247	15,160
	Remuneration to outsourced services	246,904	133,883
	Bad & doubtful debts (Provision)	16,260	41,922
	Bad & doubtful advances (Provision)	3,424	-
	Bad & doubtful investments (Provision)	-	4,502
	Provisions for non moving stock	-	799
	Fixed assets written off	-	45
	Data processing charges	2,477	3,241
	Loss in transit	-	2,548
	Rehabilitation expenses	4,032	4,470
	<b>Total</b>	<b>672,626</b>	<b>601,246</b>



	Payment to Auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
	Statutory audit fee	500	500
	Total	500	500
25	Exceptional Items (Net)	For the year ended March 31, 2018	For the year ended March 31, 2017
	Provision for stripping adjustment no longer required		2,185,664
	Total	-	2,185,664
	Other comprehensive income		
	Items that will not be reclassified to P&L	For the year ended March 31, 2018	For the year ended March 31, 2017
	Remeasurement of Defined Benefit Plan Loss/Gain		
	Gratuity	(5,864)	(1,489)
	Leave encashment	1,447	(3,462)
	Gratuity plan asset OCI	-	2,499
	Leave encashment plan asset OCI	-	210
	Deferred tax on above items	4,914	(1,468)
	Total	(503)	(3,719)
36	Income Tax		
	The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are:		
	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit and Loss section		
	Current tax:		
	Current income tax charge	1,090,085	1,237,965
	Tax relating to earlier years/(credits)	-	4,976
	Total (a)	1,090,085	1,242,941
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(12,990)	724,236
	Total (b)	(12,990)	724,236
	OCI section		
	Deferred tax related to items recognised in OCI during the year:	4,914	(1,468)
	Total (c)	4,914	(1,468)
	Total	1,082,009	1,965,709
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Profit/(loss) before tax as per statement of profit and loss	2,610,793	5,138,679
	Income tax using the company domestic tax rate @34.601% (previous year rate @ 34.601%)	972,750	1,778,394
	Tax effect of:		
	i) Deferred tax asset not created on temporary differences/absorbed depreciation	(12,990)	724,236
	ii) Adjustment due to expenses not considered under IT Act	117,326	(540,429)
	iii) Tax relating to earlier years		4,976
	Total income tax recognised in statement of P & L	1,077,095	1,967,177





**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2018	As at 31.03.2017
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,34,315	4,34,315
iii	Capital commitment towards Chimakurthy Black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Signiorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs./5,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.At No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O Ms.No 18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>36,97,005 6,76,670</p>	<p>31,31,209 5,65,796</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



<b>C</b>	Capital commitments in respect of unexecuted contracts.	15,128	.
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders Issued by the Sales tax / Vat authorities for the years 1998-1999 to 2017-2018, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	160	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,772	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		<b>-</b>	<b>(31,104)</b>	<b>-</b>
<b>Share of APMDC</b>		<b>-</b>	<b>46,860</b>	<b>-</b>
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



### 38. Classification of financial instrument

A. Classification of financial liabilities and financial assets are classified in accordance with the accounting policies

As at 31st March, 2018

As at 31st March, 2020						
Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial instruments at amortised cost</b>						
Non-current investments	4	-	-	11,027	-	11,027
<b>Financial assets not measured at fair value</b>						
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12.1	-	-	1,49,694	-	1,49,694
Bank balances other than above	12.2	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Fixed deposits	6	-	-	71,03,707	-	71,03,707
Advances to staff	14	-	-	621	-	621
Interest receivable	14	-	-	2,52,459	-	2,52,459
<b>Total</b>		-	-	<b>1,20,39,044</b>	-	<b>1,20,39,044</b>
<b>Financial liabilities not measured at fair value</b>						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	29,22,050	29,22,050
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>35,37,392</b>	<b>35,37,392</b>



As at 31st March, 2017

Particulars	Note	Carrying amount				Total
		Financial assets – FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments at amortised cost						
Non-current investments	4	-	-	22,027	-	22,027
Financial assets not measured at fair value						
Loans	5 & 13	-	-	10,04,238	-	10,04,238
Trade receivables	11	-	-	3,26,167	-	3,26,167
Cash and Cash equivalents	12.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	12.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	6	-	-	73,567	-	73,567
Fixed Deposits	6	-	-	69,91,332	-	69,91,332
Advances to staff	14	-	-	263	-	263
Interest receivable	14	-	-	2,68,314	-	2,68,314
Total		-	-	92,13,565	-	92,13,565
Financial liabilities not measured at fair value						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,59,181	2,59,181
Other financial liabilities		-	-	-	-	-
Relating to Employees	22	-	-	-	23,357	23,357
Expenses payable against Infrastructure Development	18	-	-	-	68,500	68,500
Others	18 & 22	-	-	-	28,57,949	28,57,949
Deposits	18 & 22	-	-	-	2,94,168	2,94,168
Interest Payable	20 & 24	-	-	-	-	-
Total		-	-	-	35,03,155	35,03,155





### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2017-18	2016-17
Ageing	>12 Months	>12 Months
Gross carrying amount	14,23,386	3,26,167
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	14,23,386	3,26,167
Carrying amount of trade receivables (net of impairment)	-	-

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Barytes	3,38,395	(3,38,335)	2,82,898	(2,82,898)

###### b. Packing material price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(1,112)	1,112	(1,667)	1,667



**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense: Excavation & Transport Charges for ROM	(10,691)	10,691	(20,057)	20,057
Excavation & Transport Charges for Overburden	(1,26,183)	1,26,183	(1,38,610)	1,38,610

**40. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2018**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	32,96,710	7,29,925	25,66,785	-
<b>Total</b>	<b>35,37,391</b>	<b>9,70,606</b>	<b>25,66,785</b>	<b>-</b>

**As at 31st March 2017**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	32,40,187	7,93,126	24,47,061	-
<b>Total</b>	<b>34,99,369</b>	<b>10,52,308</b>	<b>24,47,061</b>	<b>-</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2018	As at 31-03-2017
Employers contribution to provident fund	8,462	6,817
Employers contribution to pension fund	5,328	4,641



## 8. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March 2017

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	47,111	52,490	45,475	47,022
Service cost	2,253	1,446	4,006	3,464
Interest expenses	3,657	3,718	3,619	3,291
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(2,775)	(12,032)	(454)	(11,764)
Remeasurements - actuarial (gains)/losses	6,865	1,489	(1,486)	3,462
<b>Benefit obligations at the end</b>	<b>57,113</b>	<b>47,111</b>	<b>51,160</b>	<b>45,475</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	37,394	34,294	31,169	28,726
Interest income	(3,353)	(74)	(3,072)	4,996
Employer contributions	11,808	12,707	14,924	9,001
Benefits payments from plan assets	(2,776)	(12,032)	(455)	(11,764)
Actuarial gain / (loss) on plan assets	1	2,499	(39)	210
<b>Benefit obligations at the end</b>	<b>48,973</b>	<b>37,394</b>	<b>48,555</b>	<b>31,169</b>



ii. Amount recognized in the balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
PV of obligations at the end of the year	51,160	45,475	57,113	47,112
Fair value of plan assets at the end of the year	48,555	31,170	48,973	37,394
Liability (+)/Asset (-) recognised in the balance sheet	2,606	14,305	8,140	9,718

iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Service cost	2,253	1,446	4,006	3,464
Interest expenses	304	3,792	547	(1,705)
Net expense recognised	2,557	5,238	4,553	1,759

iv. Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Actuarial (gain)/losses on obligations for the period	6,865	1,010	(1,487)	3,462
Actuarial (gain)/losses on plan assets for the period	(1)	(2,499)	(39)	(210)
Net expense recognised	5,864	(1,010)	(1,448)	3,252

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Rate of discounting	7.62%	8.00%	7.62%	8.00%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%



**v. Summary of Demographic Assumptions**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.69	12.00	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

**v. Maturity Profile of Defined Benefit Obligations:**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Expected Cash flow in year 1	25,041	11,128	22,279	12,310
Expected Cash flow in year 2	3,368	12,958	7,114	13,088
Expected Cash flow in year 3	3,649	2,642	5,901	5,590
Expected Cash flow in year 4	5,642	3,269	5,855	4,670
Expected Cash flow in year 5	5,240	5,081	4,713	4,619
Expected Cash flow in year 6	6,159	4,401	4,557	3,697
Expected Cash flow in year 7	2,942	4,397	2,535	3,575
Expected Cash flow in year 8	3,322	2,578	2,479	1,893
Expected Cash flow in year 9	3,764	2,661	2,417	1,884
Expected Cash flow in year 10	1,231	3,123	1,111	1,858

**vi. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs. in '000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	57,113	47,112	0.00%	0.00%
Salary Escalation - Up by 1%	59,777	48,701	4.60%	3.40%
Salary Escalation - Down by 1%	54,716	45,418	-4.20%	-3.60%
Withdrawal Rates - Up by 1%	57,550	47,593	0.80%	1.00%
Withdrawal Rates - Down by 1%	56,633	46,586	-0.80%	-1.10%
Discount Rates - Up by 1%	55,131	45,275	-3.50%	-3.90%
Discount Rates - Down by 1%	59,315	49,144	3.90%	4.30%





**vii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.in.'000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	51,160	45,475	0.00%	0.00%
Salary Escalation - Up by 1%	52,891	47,091	3.40%	3.60%
Salary Escalation - Down by 1%	49,520	43,942	3.20%	-3.40%
Withdrawal Rates - Up by 1%	51,333	45,683	0.30%	0.50%
Withdrawal Rates - Down by 1%	50,977	45,256	-0.40%	-0.50%
Discount Rates - Up by 1%	49,934	44,286	-2.40%	-2.60%
Discount Rates - Down by 1%	52,481	46,751	2.60%	2.80%

**viii. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

**ix. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2018	As at 31-03-2017
Profit after tax before exceptional items	17,33,193	17,42,253
Add: exceptional items	-	14,29,249
Profit after tax after exceptional items	17,33,193	31,71,502
Profit available for Equity Shareholders	17,33,193	31,71,502
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	27,491.93	27,568.77
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	27,491.93	50,291.80



**43. Related Party Transactions****A. List of related parties****(% of holding)**

Name of the related party	As at 31-03-2018	As at 31-03-2017
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Mangasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personnel:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	Fellow Government company

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income (Dividend)
Andhra Pradesh granite (Midwest) private limited	1,17,283	-
Pallava red granite private limited	32,520	-



ii. Amount due (to)/from related parties

Name of the related party	As at 31-03-2018	As at 31-03-2017
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,30,914
Pallava red granite private limited	35,628	46,946
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	1,721	1,721

iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:

Name of the related party	As at 31-03-2018	As at 31-03-2017
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	12,056

iv. Balance during the year with related parties

Investment in subsidiaries	As at 31-03-2018	As at 31-03-2017
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Suliyan coal company limited	51	51
Nuagon coal company limited	5,957	5,957
Total	7,679	7,679
Investment derated/provision	7,679	7,679

Investment in joint ventures	As at 31-03-2018	As at 31-03-2017
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimper AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
Total	46,217	46,217
Investment derated/provision	35,217	24,217

Investment in associates	As at 31-03-2018	As at 31-03-2017
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250



RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment created/provision	14,716	14,716

**v. Remuneration to key management personnel**

Name of the key management personnel	As at 31-03-2018	As at 31-03-2017
Sri Ch.Venkaiah Chowdary, I.R.S	921	996

**vi. Interest free loan to related party**

Name of the related party	As at 31-03-2018	As at 31-03-2017
AP state fibernet limited	6,00,000	10,00,000

**44 Deferred tax asset /(liability)**

Particulars	As at 31-03-2018	As at 31-03-2017
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	8,421	4,725
Provision for decommissioning asset	17,405	16,191
Property, plant and equipment	11,123	6,382
Other provisions	52,921	47,207
<b>Total deferred tax asset</b>	<b>89,870</b>	<b>74,505</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,538	5,076
<b>Total deferred tax liability</b>	<b>2,538</b>	<b>5,076</b>
<b>Deferred tax asset /(liability) - net</b>	<b>87,333</b>	<b>69,429</b>

**45.CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs. 70,666).
- b. Amount spent during the year

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Construction/ acquisition of any assets	-	-
Purpose other than above	1,37,247	19,160



#### 46. Treatment demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm ), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
Current/Non-Current liabilities			





Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.70,97,058/- Thousands (Sweep accounts of Rs.70,715 /- and fixed deposits of Rs.70,26,343 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **47. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.M.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a Inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.



In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2022.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores has been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

#### 48. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60



3	Dwaraka Tinumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>

#### 49. Additional Information

##### 49.1 Particulars of consumption of raw material

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	22,230	100.00	33,333	100.00
<b>Total</b>	<b>22,230</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

##### 49.2 Particulars of consumption of stores & spares

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	8,673	100.00	13,296	100.00
<b>Total</b>	<b>8,673</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

#### 50. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> march, 2017, the board of directors of the company in their meeting held on 17<sup>th</sup> Sep, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2018. The reported amounts as on 31<sup>st</sup> march, 2018 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> march, 2017 and subsequent approval at annual general meeting. Necessary adjustments if any will be made in subsequent years.



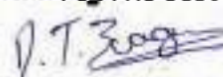
51. During the year, following head of accounts have been restated on account of correction of errors of earlier years.

(Rs.in.Thousands)			
Sl.no	Head of account	Amount	Note no
1	Exploration intangible assets under development & other equity	16,037	3 & 17
2	Other equity & Other financial liabilities	91	17 & 22
3	Other financial liabilities & other expenses	3,691	22 & 34
4	Other current liabilities & other expenses	346	23 & 34
5	Other financial liabilities & employees benefits expense	4	22 & 30
6	Other non-current assets & employees benefits expense	3,175	8 & 30
7	Other non-current assets & other income	(3,175)	8 & 27
8	Total	20,169	-

## 52. General


- Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations and subsequent reconciliations if any.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No 0030325


  
Dondeti Teja Sagar  
Partner  
Mem No.22/878



for and on behalf of the board of directors

  
V.G.Venkata Reddy  
VC&MD  
DIN:08805525

  
D. Ramadevi  
Director  
DIN:08076094

  
A. Nagaraj Reddy  
General Manager-F&A



Place: Vijayawada  
Date:17<sup>th</sup> September, 2022

UDIN:22227878 ASWRF14358





## **INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members of**  
**The Andhra Mineral Development Corporation Limited**

### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of requirements of Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group and its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company as aforesaid.





### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

### **Basis for Qualified Opinion**

- i) We draw attention to Note No:- 44 of the consolidated Ind AS financial statements where in the company has stated the reasons for not consolidating the Subsidiaries , Associates and joint ventures as tabulated below. In the absence of audited Ind AS financial statements, management certified accounts for the year ended March 31, 2018 and further reasons as detailed in Note No 44, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated Ind AS financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole Iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SECL suliyari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%



12	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A P Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for qualified Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the amounts transferred by the Company to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") ledgers are subject to acceptance and confirmation by TSMDC. Further, The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. In the absence of information, we are not able to ascertain the impact on the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	1B	Other Financial liability(non-current)	38,96,55,505	Cr
2	Int. on PDR's, BGs & Sweep (SBI) to Telangana	1B	Other Financial liability(non-current)	80,04,11,188	Cr
3	APMDC Telangana Region Advance (Cr)	1B	Other Financial liability(non-current)	1,10,80,15,026	Cr
4	APMDC - TSMDC - Advances	8	Other Non-current Assets	21,60,18,311	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	8	Other Non-current Assets	76,91,49,222	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	5,98,62,55,430	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,48,08,809	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	97,26,42,727	Dr



9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,07,15,374	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	16,98,01,235	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	24,38,261	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	5,18,61,836	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	1,30,18,006	Dr
14	Int. on Fixed Deposits	27	Other Income	34,42,72,015	Cr
15	Int. on FD kept for BG	27	Other Income	90,53,788	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	4,39,23,750	Cr
17	Int. on Sweep account SBIkh	27	Other Income	50,18,194	Cr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2018 by the holding company could not be audited by us, as the holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2018 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2018
Adv. to EE Panch. Raj Dep (RUP)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDC Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	28,52,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificate and confirmation from the respective party/ statutory authorities, we are unable to ascertain the whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the consolidated Ind AS financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the consolidated Ind AS financial statements.

vi) Inventories consisting of Finished Goods amounting to Rs. 82,50,92,232 and Stores and Spares amounting to Rs. 1,17,47,892 have not been physically verified during the year. Accordingly, their





existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the consolidated Ind AS Financial Statements could not be ascertained.

- vii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Ind AS Financial Statements could not be ascertained.
- viii) The holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, State Cheques Payable, Non-Current Deposits, Special Incentive on net profit payable and Deposit for court Fees payable amounting to Rs. 32.66 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with contractors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated Ind AS financial statements.
- ix) The holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs. 1.32 Crores (Credit), Deposit with Sales Tax Department Rs. 5.90 Crores (Debit), Pre-Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chimakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of Selgnorage fee of Rs. 0.35 crores (Credit), Deposit for court fee payable of Rs. 0.03 Crores (credit), Deposit for stamp duty payable of Rs. 0.10 Crores (Credit) and Service tax payable (Head Office) amounting to 5.24 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the consolidated Ind AS financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- x) The holding Company has balances in Tax Assets amounting to Rs. 76.05 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the consolidated Ind AS financial statements.
- xi) The holding company has Trade Receivables balance amounting to Rs. 142.33 Crores. Balance confirmations from Parties under Trade Receivables amounting to Rs 138.42 Crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated Ind AS financial statements.



xii) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C./V	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the dispute between the parties and The company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the consolidated Ind AS financial statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group and its associates and jointly controlled entities as at March 31, 2018 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following.

- Note No 35 of the consolidated Ind AS financial statements relating to reversal of provision classified under "Exceptional Items" held for "Excavation and Transport Charges Payable on Overburden on Shortfall as per the Stripping Ratio as per Mining Plan" amounting to Rs. 218.56 Crores pertaining to Financial Year 2016-17. The reversal of provision was on account of change in mining plan as approved by Deputy Director of Mines and Geology, Kadapa Region on 25<sup>th</sup> May 2016 and corresponding change in estimate of the Stripping Ratio.
- Note No 47 of the consolidated Ind AS financial statements wherein the holding Company has sanctioned an interest free loan to M/s Andhra Pradesh State Fiber Net Limited amounting to Rs. 100 Crores and disbursed an amount of Rs. 60 Crores during the Financial Year 2017-18. However, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule as specified in the loan agreement dated 22<sup>nd</sup> July 2017 has not been followed and no revised loan agreement was agreed upon with the party.





- c) We draw attention to Note no. 53 of the consolidated Ind AS Financial statements wherein it is stated that M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) incurred a net loss of Rs. 2,97,28,093 during the year ended 31<sup>st</sup> March 2018 and as of that date, the joint venture's current liabilities exceeded its current assets by Rs 5,92,69,970. These events or conditions, along with other matters as set forth in Note No. 53, indicate that a material uncertainty exists that may cast significant doubt on the joint venture's ability to continue as a going concern.

Our opinion is not modified in respect of the above matter.

#### Other Matters

1. The consolidated Ind AS financial statements of the holding Company for the year ended March 31, 2017 are not adopted at the adjourned Annual General Meeting held on July 14, 2022 due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017 the Board of Directors of the holding Company in their meeting held on 17<sup>th</sup> September 2022 approved the consolidated Ind AS financial statements for the year ended March 31, 2018. Consequently, we have completed our audit for the year ended March 31, 2018 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2018. The reported amounts as on March 31, 2018 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and subsequent approval at the Annual General Meeting.
2. We did not audit the financial statements/financial information of one Joint Venture. The consolidated Ind AS financial statements include the Group's share of Net Loss of Rs. 21.76 lakhs for the year ended 31<sup>st</sup> March 2018 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books and the reports of other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
- e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the holding Company is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements. Refer Note 37 to the Consolidated Ind AS financial statements.
  - The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in Annexure- B.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

*J.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Vijayawada

Date: 17<sup>th</sup> September 2022

UDIN: 22227878 ASWBTH 8228

#### **Annexure- A to the Independent Auditors' Report**

(Referred to in paragraph 1(i) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2018)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") as of March 31, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Subject to the matters described in Basis for Qualified Opinion paragraph, we believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the Holding company's internal financial controls over financial reporting.





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

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

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

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

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified:-

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of Inventory and Property, Plant and Equipment.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual financial statements will not be prevented or detected on a timely basis.



We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Group as at March 31, 2018 and these material weaknesses has affected our opinion on the consolidated financial statements of the Group and we have issued a Qualified opinion on the financial statements of the Holding Company.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Mem No: 227878

Place: Vijayawada

Date: 17<sup>th</sup> September 2022

UDIN: 22227878ASWQJH 8228



**ANNEXURE-B to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the Company has the clear title / lease deeds for freehold and leasehold respectively. If not, please state the area of freehold and leasehold land for which the title / lease deeds are not available.	The title deeds/Possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1,877). Further, in respect of the other lands, Possession Certificates issued by concerned authorities are available on record.
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc.? If yes, the reasons therefore and the amount involved	According to the information and explanations given to us and on the basis of our examination of the records of the company, There are no cases of waiver/ write off of debts/loans/interest during the financial Year 2017-18.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Government or other authorities?	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no inventory lying with any third party. Further, there are no assets received as gifts/grants from government or other authorities during the financial year 2017-18.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.</p>



	e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically not verified the inventory and stores and spares in FY 2017-18. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.





11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2017-18.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa vide Letter No 2276/MS-KDP/2013 dt 25/05/2016 which is effective for FY 2017-18.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2017-18 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2017-18.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(q) of the Consolidated Ind AS financial statements.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D. Teja Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No. 227878

Place: Vijayawada  
Date: 17<sup>th</sup> September 2022

UQW: 22227878 ASWQTH 8228

**The Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,17,749	3,94,248
Intangible assets	3	1,760	194
Exploration intangible assets under development	3	29,72,252	29,36,532
Capital work in progress	3	17,877	8,397
Intangible asset under development			1,838
<b>Financial assets</b>			
Investments	4	20,260	24,211
Loans	5	6,05,230	2,998
Other financial assets	6	71,81,201	70,64,845
Deferred tax assets (net)	7	87,332	69,429
Other non-current assets	8	16,48,574	15,31,376
Non-current tax assets (net)	9	7,60,498	7,26,074
<b>Current assets</b>			
Inventories	10	6,36,941	14,52,053
<b>Financial assets</b>			
Trade receivables	11	14,23,386	3,26,167
Cash and cash equivalents	12.1	1,49,694	2,34,508
Other bank balances	12.2	24,14,702	2,93,148
Loans	13	724	10,01,741
Other financial assets	14	2,53,117	2,68,631
Other current assets	15	5,55,152	9,82,345
<b>TOTAL ASSETS</b>		<b>1,93,61,394</b>	<b>1,73,18,231</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	1,52,89,988	1,35,60,745
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	25,66,785	24,47,061
Provisions	19	50,293	46,784
Other non-current liabilities	20	79,232	77,570
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	2,40,681	2,59,181
Other financial liabilities	22	7,29,925	7,96,913
Other current liabilities	23	20,136	15,433
Provisions	24	10,746	24,023
Current tax liabilities (net)	25	3,10,547	27,459
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,93,61,394</b>	<b>1,73,18,231</b>
<b>Notes to financial statements</b>	<b>1-54</b>		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
*P.T. Sagar*  
Dondeti Teja Sagar  
Partner  
Mem No. 227878



For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*A. Ramadevi*  
A. Ramadevi  
Director  
DIN: 08026094

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A



Place : Vijayawada  
Date : 27<sup>th</sup> September, 2022

UDIN: 22227878 ASWQJH 8228



The Andhra Pradesh Minerals Development Corporation Limited			
Consolidated Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2018			
All amounts are in thousands, unless otherwise stated			
Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	26	6,766,707	5,657,965
Other income	27	153,075	711,666
<b>Total (i)</b>		<b>7,319,782</b>	<b>6,369,631</b>
<b>Expenses</b>			
Cost of materials consumed	28	22,731	33,335
Change in inventories of finished goods	29	619,647	(842,145)
Employee benefits expense	30	321,319	257,970
Finance costs	31	29,172	76,447
Depreciation and amortization expense	32	46,864	44,432
Power and fuel		59,656	71,397
Excavation & transport charges	33	2,737,476	3,173,342
Other expenses	34	672,626	601,246
<b>Total (ii)</b>		<b>4,508,991</b>	<b>3,416,622</b>
<b>Profit before exceptional items and tax</b>		<b>2,810,791</b>	<b>2,953,015</b>
Add : Exceptional items (Net)	35	-	2,185,661
<b>Profit before tax</b>		<b>2,810,791</b>	<b>5,138,679</b>
Share of loss of joint venture		(2,195)	(3,302)
<b>Less : Tax expense/(benefit)</b>			
Earlier years		-	4,976
Current tax		1,090,085	1,237,965
Deferred tax		(12,990)	774,236
<b>Total tax expense/(benefit)</b>		<b>1,077,095</b>	<b>1,967,177</b>
<b>Profit from continuing operations</b>		<b>1,733,697</b>	<b>3,168,200</b>
Profit/(loss) from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net profit/(loss) for the year (A)</b>		<b>1,733,697</b>	<b>3,168,200</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(5,417)	(2,242)
Items that will not be reclassified to profit or loss of JV		23	-
Income tax on above items		4,914	(1,468)
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(490)</b>	<b>(3,710)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>1,733,207</b>	<b>3,164,489</b>
<b>Earnings per equity share (in Rs.)</b>			
(Nominal value of share Rs.1000 /-)			
- Before exceptional item		27,484.32	27,621.13
- After exceptional item		27,484.32	50,285.33
<b>Basic and diluted</b>			
Computed on the basis of total profit for the year			

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

P.T. Sagar  
Partner  
Mem No.227878



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

D.Ramadevi  
Director  
DIN: 08076094

A.Nageswara Reddy  
General Manager - F&A



Place : Vijayawada  
Date : 17<sup>th</sup> September, 2022

UDIN: 22227878 ASWQTH8228

**The Andhra Pradesh Mineral Development Corporation Limited**

**Statement of Changes in equity for the year ended 31-03-2018**

**A - Equity share capital**

Particulars	No. of shares	Amount (Rs. in '000's)
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 31 <sup>st</sup> March, 2018	63,062	63,062

**B - Other Equity**

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actual Gain/Loss on OCI Items	Deferred tax on OCI Items	
<b>Balance at the beginning of reporting period - 31-03-2016</b>	22,006	8,080	1,774,670	8,671,966	(5,667)	942	(1,076)	10,416,424
Profit for the year	-	-	-	3,166,200	-	-	-	3,166,200
Transfer to other comprehensive income for the year	-	-	-	(10,169)	-	-	-	(10,169)
Other comprehensive income for the year	-	-	-	3,146,031	-	-	-	3,146,031
Total comprehensive income for the year	-	-	-	3,135,862	-	-	-	3,135,862
Transfer to reserve for bad and doubtful debts	-	13,692	-	(13,692)	-	-	-	-
Transfer to other comprehensive income reserve	-	-	-	(6,810)	-	-	-	(6,810)
Balance at the beginning of reporting period - 31-03-2017	22,006	18,699	1,774,670	11,782,696	(5,667)	4,981	(1,076)	13,560,529
Profit for the year	-	-	-	9,126	-	-	-	9,126
Transfer to reserve for bad and doubtful debts	-	-	-	1,731,497	-	-	-	1,731,497
Transfer to other comprehensive income reserve	-	-	-	(1,731,497)	-	-	-	-
Balance at the end of reporting period - 31-03-2018	22,006	18,699	1,774,670	13,482,696	(5,667)	5,994	(2,569)	15,288,329

As per our report of even date

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325



U. Venkata Reddy  
V. Venkata Reddy  
V. R. Rao  
CIN: 08405525

D. Ramakrishna  
Director  
CIN: UED75094

For  
Dhondeti Teja Sagar  
Partner  
Mem No: 277378

Atlagaswara Reddy  
General Manager - F&A



Place : Vijayawada  
Date : 31<sup>st</sup> September, 2022

UDIN: 22227878 ASW04IT 8228

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Cash flow statement for the year ended 31<sup>st</sup> March, 2018**  
 All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operations	2,898,597	5,135,577
Adjustments for:		
Interest expense	29,172	76,447
Interest income	(547,641)	(636,004)
Depreciation/amortization on continuing operations	46,864	44,432
Bad & doubtful debts	16,250	41,922
Bad & doubtful advances	3,424	4,503
Assets written off	-	45
Provision for diminution in value of investments	-	10
Measurement of defined benefit plans	(5,417)	(2,242)
Provision no longer require written back	2	9,546
<b>Operating profit before working capital changes</b>	<b>2,351,236</b>	<b>4,674,036</b>
Adjustments for working capital:		
Increase/(decrease) in trade payables	(18,500)	171,263
Increase/(decrease) in provisions	273,319	(2,173,654)
Increase/(decrease) in other financial liabilities	52,737	1,586,981
Increase/(decrease) in other liabilities	6,366	(166,950)
Decrease/(increase) in trade receivables	(1,113,479)	(228,475)
Decrease/(increase) in inventories	615,112	(840,535)
Decrease/(increase) in other assets	308,999	289,491
Decrease/(increase) in other financial assets	(100,841)	(698,243)
<b>Cash generated from operations</b>	<b>2,374,969</b>	<b>2,613,911</b>
Direct taxes paid (net of refunds)	1,124,509	1,242,962
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,250,460</b>	<b>1,370,948</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant, equipment, including intangible assets under development	(130,473)	(1,730,839)
Bank deposits	(2,111,553)	864,542
Loans repaid / Given to related parties	398,234	(982,625)
Interest received	547,641	636,004
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(1,306,101)</b>	<b>(1,212,916)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(29,172)	(76,447)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(29,173)</b>	<b>(76,447)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(84,814)</b>	<b>81,585</b>
Cash and cash equivalents at the beginning of the year	234,508	152,923
<b>Cash and cash equivalents at the end of the year</b>	<b>149,694</b>	<b>234,508</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	135	89
With banks accounts	149,559	234,420
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>149,694</b>	<b>234,508</b>

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as setout in M0 As - /

As per our report of even date

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*P.T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No 227878



For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 QWA, QW00515

*D. Ramakrishna*  
 D. Ramakrishna  
 Director  
 DIN: 03075094

*A. Nagaraj Reddy*  
 General Manager - F&A



Place: Vijayawada  
 Date: 17<sup>th</sup> September, 2022

UDIN: 22227878 ASWATH 8228



## Notes to the Consolidated Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant Accounting Policies

#### a. Statement of Compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The Consolidated Financial Statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- IV. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**c. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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





### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Group's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.





At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of Inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, Closing Stock is recognised for quantity of 5,00,000 MTs from Financial Year 2013-14 onwards and the remaining Stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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





#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply



when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment





**r. Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.



**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets – Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.





**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.



#### **iii. De-recognition of financial liabilities**

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods, and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

#### **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.



The Andhra Pradesh Mineral Development Corporation Limited									
Property, Plant and Equipment, CNIP, Intangible assets, Intangible assets under development for the year ended 31-03-2018									
Particulars	Gross Mode			Depreciation			Net Mode		
	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation for the year	Disposals / Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2017
Free hold land	2,27,987	-	-	2,27,987	-	-	-	-	2,27,987
Buildings	31,042	11,903	1,781	41,162	7,164	5,032	1,781	11,235	29,927
Plant and machinery	1,11,887	31,128	-	1,43,015	29,739	17,299	-	47,038	95,987
Furniture & fixtures	3,276	9,160	-	12,436	1,426	1,191	-	2,617	9,819
Vehicles	9,441	-	-	9,441	4,432	1,632	-	6,064	3,377
Office equipment	6,123	13,540	-	19,663	3,436	3,998	-	7,434	12,229
Mining and equipment	66,036	35	-	66,071	23,852	9,814	-	33,706	32,365
Data processing equipment	11,812	2,128	-	13,940	7,518	3,023	-	10,961	2,979
Tent & huts	2,924	-	-	2,924	1,275	1,093	-	2,249	685
Lease hold improvements	3,330	2,484	-	5,814	3,230	1,945	-	5,175	19,919
Mining property	2,976	-	-	1,376	1,2	89	-	191	1,785
Total	4,75,114	83,756	1,781	5,60,189	81,389	48,566	1,781	1,25,640	4,37,749
Intangible Assets									
Particulars	Cost as at 01.04.2017	Additions	Disposals/ adjustments	Cost as at 31.03.2018	Accumulated Depreciation as at 31.03.2017	Depreciation for the year	Disposals / Adjustments	Accumulated Depreciation as at 31.03.2018	Net carrying amount as at 31.03.2017
Computer software	954	2,227	-	3,181	760	661	-	1,421	1,760
Total	954	2,227	-	3,181	760	661	-	1,421	1,760
Expenditure on intangible assets under development	29,52,569	25,784	16,057	29,74,252	-	-	-	-	29,74,252
Intangible Asset under development	1,838	-	1,838	-	-	-	-	-	1,838
Capital work in progress	8,392	12,822	8,392	12,822	-	-	-	-	12,822
									8,392





**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2018**  
**All amounts are in thousands, unless otherwise stated**

4	Non-current investments	As at	As at
		March 31, 2018	March 31, 2017
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APNOC - SCCL, Hyderabad company limited		
	5,100 shares allotted of Rs.10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Shungum Coal company limited		
	3,000 equity shares of Rs. 100/- each fully paid up	3,057	3,057
	Less: Provision made for diminution in the value of shares	(3,057)	(3,057)
	iii. M/s. Ongole iron ore mining company private limited		
	56,100 equity shares Rs.10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited		
	1,110 equity shares of Rs.1000/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in associates		
	v. M/s. Aswara mineral development private limited		
	65,000 equity shares of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Andhra minerals exports private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Andhra minerals exports private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalore granites private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ungali Minerals exports private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RUP granites private limited		
	3,25,000 equity shares of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A.P. Coastal sands & minerals private limited		
	13,000 equity shares of Rs.10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh mineral mining private limited		
	28,600 equity shares of Rs.10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)
	Investment in Joint ventures		
	xiv. M/s. A.P. granites (Southwest) private limited		
	11,00,000 equity shares of Rs.10/- each fully paid up	10,793	10,410
	xv. M/s. Alliance A.P. Black gallery granites private limited		
	11,00,000 equity shares of Rs.10/- each fully paid up	11,000	11,000
	Less: Provision made for diminution in the value of shares	(11,000)	(11,000)



iv. M/s. Zilla red granite private limited 11,00,000 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	1,774 -
v. M/s. Gumpu AP barytes beneficiation private limited 1,320 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
vi. M/s. Andhra baryta conglomerate private limited 8,52,500 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
vii. M/s. Andhra Pradesh Iron ore company limited 6,850 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	68 (68)	58 (68)
viii. M/s. Triloka Baryta private limited 4,50,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
ix. M/s. V. V. Ramappa private limited 1,100 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
Investments measured at amortised cost Investment in Government securities (unquoted) Less: Provision made for doubtful investment	7,138 (7,092)	7,138 (7,092)
	20,260	24,211
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	20,260	24,211
Aggregate provision for diminution in value of investments	40,497	49,387
Aggregate Provision made for doubtful investments	7,404	7,404

3	Loans (Non-current)	As at March 31, 2018	As at March 31, 2017
	Security deposits Unsecured, considered doubtful Less: Provision for doubtful debts	9,291 (9,292)	9,214 (9,214)
	Loans to corporate Loan to AP State Fibernet Limited - Refer Note 46		
	Unsecured, considered good	600,300	-
	Vehicle loans to staff		
	Unsecured, considered good	4,235	2,041
	Other loans to staff		
	Unsecured, considered good	995	934
	Unsecured, considered doubtful	68	40
	Less: Provision for doubtful items	(68)	(10)
	<b>Total</b>	<b>605,230</b>	<b>2,965</b>

4	Other Financial Assets (Non-Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good - Refer note 47		
	Balance in current accounts	6,779	6,779
	Long term bank deposits	7,101,707	6,991,778
	Savings accounts	70,715	66,742
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(3,936)
	<b>Total</b>	<b>7,162,201</b>	<b>7,061,335</b>





Deferred tax assets (Net)		As at March 31, 2018	As at March 31, 2017
Deferred tax asset			
Property, plant & equipment		11,828	6,987
Effect of expenditure charged to the statement of profit and loss in the current year but allowed for the purpose of payment basis		8,428	4,724
Provision for decommissioning costs		17,405	16,191
Provision for bad & doubtful debts, investments & advances		52,921	47,207
Gross Deferred tax asset		89,582	75,109
Deferred tax liability			
Investment		(2,538)	(5,076)
Gross deferred tax liability		(2,538)	(5,076)
Deferred tax asset - net		87,044	69,429

Other non-current assets		As at March 31, 2018	As at March 31, 2017
A) Capital advances			
Unsecured, considered good		239,387	239,616
Unsecured, considered doubtful		26,023	26,000
Provision for doubtful advances		(26,023)	(26,000)
		239,387	239,616
B) Advances other than capital advances			
Unsecured, considered good		1,014,271	904,805
Unsecured, considered doubtful		24,871	22,160
Less: Provision for doubtful advances		(24,871)	(22,160)
		1,014,271	904,805
C) Others - Specified			
Unsecured, considered good		394,916	386,956
Unsecured, considered doubtful		10,164	8,652
Less: Provision for doubtful advances		(10,164)	(8,652)
		394,916	386,956
Total		1,648,574	1,531,376

Non current tax assets (Net)		As at March 31, 2018	As at March 31, 2017
Advance tax			
Corporate tax receivable		760,498	726,058
Tax collection on account		-	71
Total		760,498	726,079

Inventories		As at March 31, 2018	As at March 31, 2017
Finished Goods			
Less: Provision made		875,992	1,445,639
		(159)	(799)
Stores and spares		11,743	7,213
Total		875,946	1,432,053



11	Trade receivables (Current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good	1,423,356	326,167
	Unsecured, considered doubtful	58,564	46,280
	Less: Provision for doubtful trade receivables	(38,554)	(46,280)
	Total	1,422,366	326,167
	Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
12.1	Cash and cash equivalents		
	Balance with banks in current accounts	149,559	234,420
	Cash on hand	155	85
	(A)	149,694	234,506
12.2	Other bank balances		
	in sweep accounts	1,414,792	293,146
	Fixed deposits with maturity > 3 months but < 12 months	1,000,000	-
	(B)	2,414,792	293,146
	Total	2,564,396	527,652
13	Loans (current)	As at March 31, 2018	As at March 31, 2017
	Unsecured, considered good		
	Vehicle loans to staff	350	497
	Short term loan to AP State Fisheries Limited - Road Motor - 48	-	1,000,000
	Other loans to staff	374	344
	Total	724	1,000,841
14	Other financial assets (Current)	As at March 31, 2018	As at March 31, 2017
	Deposit with others	57	54
	Secured, considered good		
	Advances receivable in cash		
	Unsecured, considered good	611	263
	Interest accrued on deposits	257,054	174,253
	Less: Provision made	(61,665)	(4,339)
	Total	253,117	268,631
15	Other current assets	As at March 31, 2018	As at March 31, 2017
	A) Advances receivable		
	Unsecured, considered good	63,844	63,174
	Doubtful	-	-
	Less: Provision for doubtful loans	-	-
	(B) Others - Specified		
	Balance with statutory authorities	450,491	395,447
	Prepaid expenses	40,817	25,724
	Total	491,300	419,171
	Total	555,152	987,345



16	Share capital	As at March 31, 2018	As at March 31, 2017
	Authorized share capital		
	1,00,000 equity shares of Rs. 1000/- each	100,000	100,000
	(Previous year: 1,00,000 equity shares of Rs. 1000/- each)		
		100,000	100,000
	Issued, subscribed and fully paid up share Capital:		
	63,062 equity shares of Rs. 1000/- each fully paid up in cash	63,062	63,062
	(Previous year: 63,062 equity shares of Rs. 1000/- each)	63,062	63,062
<b>16.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2018	As at March 31, 2017
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
16.2 The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholder.			
16.3 The details of shares in the Company held by each shareholder holding more than 5% shares			
	Name of the share holder	As at March 31, 2018	As at March 31, 2017
	Governor of the Andhra Pradesh- represented by Assistant Secretary to Government (Mineral Development & Commerce department)	63,059 (100%)	63,059 (100%)
17	Other equity	As at March 31, 2018	As at March 31, 2017
	Capital Reserve		
	From fully equity shares for consideration other than cash received by		
	i. M/s. Aswani mineral development private limited		
	65,000 equity shares of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	ii M/s. SRAP mineral private limited		
	3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	iii. Arkham minerals exports private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	iv. Bsa minerals exports private limited		
	1,30,000 equity shares of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	v. Mitigastee granite private limited		
	1,30,000 equity shares of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	vi. Ongola minerals exports private limited		
	3,25,000 equity shares of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)



vi. R.P. granites private limited 3,25,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vii. M/s A.P. granites (india) private limited 11,00,000 equity shares of Rs 10/- each fully paid up	11,000	11,000
viii. M/s Alliance R.P. Black granite granites private limited 11,00,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
ix. M/s Pallavaram granites private limited 1,10,000 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000
x. M/s A. P. coast lands & estates private limited 13,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
xi. M/s Ongole iron ore mining company private limited 56,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	560 (560)	560 (560)
xii. M/s. Gempex AP barytes participation private limited 1,320 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xiii. M/s. Andhra barytes corporation private limited 8,52,500 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xiv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
xv. M/s. Transbarbarie private limited 4,50,000 equity shares of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xvi. M/s V. V. minerals private limited 1,107 equity shares of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Equity Instruments through IFCI</b>	<b>11,000</b>	<b>22,800</b>
Opening Balance	17,482	(10,191)
Other comprehensive income for the year	440	(3,710)
Add/(Less)- Transferred from/(to) retained earnings	7,962	6,420
Closing balance	-	(7,482)
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	18,689	8,000
Add/(Less)- Transferred from/to profit and loss account	62,871	10,690
Closing balance	81,560	18,689
<b>General Reserve</b>		
Balance as per the last financial statements	1,724,670	1,724,670
Closing balance	1,724,670	1,724,670



Surplus/(Deficit) in the statement of profit and loss balance as per the last financial statements		11,802,868	8,651,777
Less: Elimination of joint venture loss		9,226	-
Profit for the year		1,731,497	3,168,200
Less: Appropriations		11,941,991	11,811,977
Transferred from/to other comprehensive income		7,962	6,419
Reserve for bad and doubtful debts		67,371	10,691
Total appropriations		70,483	17,110
Net surplus or deficit of profit after loss		13,472,718	11,802,868
Total reserves and surplus taken to transfer sheet		15,289,986	13,546,745

18	Other financial liabilities (Non-current)	As at March 31, 2018	As at March 31, 2017
	Expenses payable against infrastructure development	70,310	68,500
	Deposits	17,780	10,490
	Others - refer note, #5	2,479,155	2,369,071
	Total	7,566,785	7,447,061

19	Provisions (Non-current)	As at March 31, 2018	As at March 31, 2017
	Provision for Others	-	-
	Provision for decommissioning cost	50,293	66,734
	Total	50,293	66,734

20	Other Non-current liabilities	As at March 31, 2018	As at March 31, 2017
	Statutory liabilities	79,232	77,570
	Total	79,232	77,570

21	Trade payables (Current)	As at March 31, 2018	As at March 31, 2017
	Trade payables	-	-
	Dues of micro-enterprises and small enterprises	-	-
	Dues of creditors other than micro enterprises and small enterprises	240,631	259,181
	Total	240,631	259,181

Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below:

Particulars	As at March 31, 2018	As at March 31, 2017
a) Principal amount and interest due thereon	-	-
b) Interest paid in terms of section 16 of MSME Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSME Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSME Act, 2006	-	-

Outs to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.





22	Other financial liabilities (Current)	As at March 31, 2018	As at March 31, 2017
	Salaries & other benefits payable	23,288	23,357
	Securities deposits from customers	263,272	283,678
	Other payables	442,665	489,878
	<b>Total</b>	<b>729,225</b>	<b>796,913</b>
23	Other financial liabilities	As at March 31, 2018	As at March 31, 2017
	Statutory liabilities	20,136	15,433
	<b>Total</b>	<b>20,136</b>	<b>15,433</b>
24	Provisions (Current)	As at March 31, 2018	As at March 31, 2017
	Provision for employee benefits:		
	Provision for gratuity	8,140	9,718
	Provision for leave benefits	1,606	14,308
	<b>Total</b>	<b>9,746</b>	<b>24,026</b>
25	Current tax liabilities	As at March 31, 2018	As at March 31, 2017
	Provision for income tax	310,547	27,459
	<b>Total</b>	<b>310,547</b>	<b>27,459</b>



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to consolidated financial statements for the year ended 31<sup>st</sup> March, 2018  
 All amounts are in thousands, unless otherwise stated

26	Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
	Sale of products	7,457,841	6,254,841
	Loss: Statutory levies	849,536	794,309
	Net sales	6,608,415	5,460,532
	Sale of services	258,222	197,837
	<b>Total</b>	<b>6,766,707</b>	<b>5,657,969</b>
27	Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
	Interest income		
	Bank deposits	461,456	635,017
	Loans	232	218
	Others	85,924	18,687
	Other (miscellaneous) income	1,146	13,295
	Rent receipts	709	654
	Forfeiture of security deposit	2,458	462
	Penalty on buyers/millers	35	28,679
	Sale of tender documents	996	899
	Sale of scrap	57	36
	Freight & insurance on dispatches	-	876
	Dividend from M/s. A.P. Grambs (midwest) Private Limited	-	4,400
	Excess provision written back	2	9,546
	<b>Total</b>	<b>553,079</b>	<b>711,660</b>
28	Cost of materials consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
	Consumption of packing materials	22,231	33,333
	<b>Total</b>	<b>22,231</b>	<b>33,333</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2018	For the year ended March 31, 2017
	a) Opening stock of finished goods	1,445,839	603,494
	b) Closing stock of Finished Goods	825,992	1,445,639
	<b>Changes in inventories of finished goods</b>	<b>619,647</b>	<b>(842,145)</b>



30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Salaries and wages	189,561	192,498
	Employer's contribution to PF and other funds	100,155	76,798
	Staff welfare and other expenses	22,603	38,673
	<b>Total</b>	<b>321,319</b>	<b>257,970</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Interest on advance from customers	-	73,153
	Unwinding of discounting of provision for decommissioning	3,509	3,264
	Other interest	25,653	-
	<b>Total</b>	<b>29,172</b>	<b>76,417</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Depreciation of tangible assets	40,203	44,206
	Amortization of intangible assets	661	226
	<b>Total</b>	<b>40,864</b>	<b>44,432</b>
33	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Excavation & transport charges for ROHM	213,813	401,145
	Excavation & transport charges for overburden	2,523,663	2,772,197
	<b>Total</b>	<b>2,737,476</b>	<b>3,173,342</b>
34	<b>Other expenses</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
	Rents	13,905	10,390
	Repairs & maintenance	8,673	13,296
	Insurance	1,047	867
	Rates and taxes	473	21,999
	Other expenses	-	-
	Operating expenses	104,323	163,375
	Royalty & other levies	15,706	7,165
	Selling expenses	26,031	74,007
	Prospecting & mining lease expenses	20,710	16,159
	Office & general expenses	62,347	74,309
	Audit fee for statutory auditors	500	500
	Audit fee for other auditors	436	506
	Expenses to auditors	45	129
	Printing & stationery	2,475	3,147
	Postage, telegrams & telephones	5,631	4,987
	Corporate social responsibility expenses	137,287	19,160
	Remuneration to call source services	206,904	133,883
	Bad & doubtful debts (Provision)	16,260	41,912
	Bad & doubtful advances (Provision)	3,424	-
	Bad & doubtful investments (Provision)	-	4,502
	Provision for non moving stock	-	799
	Fixed assets written off	-	45
	Data processing charges	2,477	3,241
	Loss in transit	-	2,548
	Rehabilitation expenses	4,032	4,470
	<b>Total</b>	<b>672,526</b>	<b>601,246</b>



Payment to Auditors		For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory audit fee		500	500
<b>Total</b>		<b>500</b>	<b>500</b>
<b>35</b>			
Exceptional items (net)		For the year ended March 31, 2018	For the year ended March 31, 2017
Provision for stripping adjustment no longer required			2,185,664
<b>Total</b>		<b>-</b>	<b>2,185,664</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to P&L		For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement of Defined Benefit Plan Loss/Gain			
Gratuity		(6,864)	(1,489)
Leave encashment		1,447	(3,462)
Gratuity plan asset OCI		-	2,439
Leave encashment plan asset OCI		-	210
Deferred tax on above items		4,914	(3,468)
<b>Total</b>		<b>(503)</b>	<b>(3,710)</b>
<b>36. Income Tax</b>			
The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are:			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>Profit and loss section</b>			
Current tax:			
Current income tax charge	1,090,085	1,287,965	
Tax relating to earlier years/(credits)	-	4,976	
<b>Total (a)</b>	<b>1,090,085</b>	<b>1,292,941</b>	
<b>Deferred tax:</b>			
In respect of current year origination and reversal of temporary differences	(12,990)	724,236	
<b>Total (b)</b>	<b>(12,990)</b>	<b>724,236</b>	
<b>OCI section</b>			
Deferred tax related to items recognised in OCI during the year	4,914	(1,468)	
<b>Total (c)</b>	<b>4,914</b>	<b>(1,468)</b>	
<b>Total</b>	<b>1,082,009</b>	<b>1,965,709</b>	
The income tax expense for the year can be reconciled to the accounting profit as follows:			
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
Profit/(loss) before tax as per statement of profit and loss	2,810,791	5,138,679	
Income tax using the company domestic tax rate @34.608% (previous year rate @ 34.608%)	972,759	1,778,394	
Variances of -			
i) Deferred tax asset not created on temporary differences/unabsorbed depreciation	(12,990)	724,236	
ii) Adjustment due to expenses not considered under IT Act	127,326	(500,479)	
iv) Tax relating to earlier years		4,976	
<b>Total income tax recognised in statement of P &amp; L</b>	<b>1,077,095</b>	<b>1,967,177</b>	



**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2018	As at 31.03.2017
A	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities	4,34,315	4,34,315
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patla land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No 237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>36,97,005 6,76,670</p>	<p>31,31,209 5,65,796</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



C	Capital commitments in respect of unexecuted contracts.	15,128	-
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998 1999 to 2017-2018, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMD C</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15	Penalty	4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>



### 38. Classification of financial instrument

A. Classification of financial liabilities and financial assets are classified in accordance with the accounting policies.

As at 31st March, 2018

As at 31st March, 2020						
Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments at amortised cost						
Non-current investments	4	-	-	20,260	-	11,027
Financial assets not measured at fair value						
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12.1	-	-	1,49,694	-	1,49,694
Bank balances other than above	12.2	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Fixed deposits	6	-	-	71,03,707	-	71,03,707
Advances to staff	14	-	-	621	-	621
Interest receivable	14	-	-	2,42,559	-	2,42,559
Total		-	-	1,20,29,144	-	1,20,29,144
Financial liabilities not measured at fair value						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	29,22,050	29,22,050
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
Total		-	-	-	35,37,392	35,37,392



As at 31st March, 2017

As at 31st March, 2017

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Financial instruments at amortised cost						
Non current investments	4	-	-	24,211	-	22,027
Financial assets not measured at fair value						
Loans	5 & 13	-	-	10,04,238	-	10,04,238
Trade receivables	11	-	-	3,26,167	-	3,26,167
Cash and Cash equivalents	12.1	-	-	2,34,508	-	2,34,508
Bank balances other than above	12.2	-	-	2,93,148	-	2,93,148
Balances with Banks and post office	6	-	-	73,567	-	73,567
Fixed Deposits	6	-	-	69,91,332	-	69,91,332
Advances to staff	14	-	-	263	-	263
Interest receivable	14	-	-	2,68,314	-	2,68,314
Total		-	-	92,13,565	-	92,13,565
Financial liabilities not measured at fair value						
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,59,181	2,59,181
Other financial liabilities		-	-	-	-	-
Relating to Employees	22	-	-	-	23,357	23,357
Expenses payable against Infrastructure Development	18	-	-	-	68,500	68,500
Others	18 & 22	-	-	-	28,57,949	28,57,949
Deposits	18 & 22	-	-	-	2,94,168	2,94,168
Interest Payable	20 & 24	-	-	-	-	-
Total		-	-	-	35,03,155	35,03,155



### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2017-18	2016-17
Ageing	>12 Months	>12 Months
Gross carrying amount	14,23,386	3,26,167
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	14,23,386	3,26,167
Carrying amount of trade receivables (net of impairment)	-	-

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Barytes	3,38,335	(3,38,335)	2,82,898	(2,82,898)

###### b. Packing material price risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(1,112)	1,112	(1,667)	1,667





#### c. Excavation & Transport Charges risk

Particulars	Impact on profit			
	2017-18		2016-17	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for ROM	(10,691)	10,691	(20,057)	20,057
Excavation & Transport Charges for Overburden	(1,26,183)	1,26,183	(1,38,610)	1,38,610

#### 40. Management of Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

##### As at 31st March 2018

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	32,96,710	7,29,925	25,66,785	-
<b>Total</b>	<b>35,37,391</b>	<b>9,70,606</b>	<b>25,66,785</b>	<b>-</b>

##### As at 31st March 2017

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,59,181	2,59,181	-	-
Other financial liabilities	32,40,187	7,93,126	24,47,061	-
<b>Total</b>	<b>34,99,369</b>	<b>10,52,308</b>	<b>24,47,061</b>	<b>-</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2018	As at 31-03-2017
Employers contribution to provident fund	8,462	6,817
Employers contribution to pension fund	5,328	4,641



## B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March 2017

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	47,111	52,490	45,475	47,022
Service cost	2,253	1,446	4,006	3,464
Interest expenses	3,657	3,718	3,619	3,291
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(2,775)	(12,032)	(454)	(11,764)
Remeasurements - actuarial (gains)/losses	6,865	1,489	(1,486)	3,462
<b>Benefit obligations at the end</b>	<b>57,113</b>	<b>47,111</b>	<b>51,160</b>	<b>45,475</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	37,394	34,294	31,169	28,726
Interest income	(3,353)	(74)	(3,072)	4,996
Employer contributions	11,808	12,707	14,924	9,001
Benefits payments from plan assets	(2,776)	(12,032)	(455)	(11,764)
Actuarial gain / (loss) on plan assets	1	2,499	(39)	210
<b>Benefit obligations at the end</b>	<b>48,973</b>	<b>37,394</b>	<b>48,555</b>	<b>31,169</b>



ii. Amount recognized in the Balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
PV of obligations at the end of the year	51,160	45,475	57,113	47,112
Fair value of plan assets at the end of the year	48,555	31,170	48,973	37,394
Liability (+)/Asset (-) recognised in the balance sheet	2,605	14,305	8,140	9,718

iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Service cost	2,253	1,446	4,006	3,464
Interest expenses	304	3,792	547	(1,705)
Net expense recognised	2,557	5,238	4,553	1,759

iv. Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Actuarial (gain)/losses on obligations for the period	6,865	1,010	(1,487)	3,462
Actuarial (gain)/losses on plan assets for the period	(1)	(2,499)	(39)	(210)
Net expense recognised	6,864	(1,010)	(1,448)	3,252

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Rate of discounting	7.62%	8.00%	7.62%	8.00%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%



v. Summary of Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.69	12.00	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Expected Cash flow in year 1	25,041	11,128	22,279	12,310
Expected Cash flow in year 2	3,368	12,958	7,114	13,088
Expected Cash flow in year 3	3,649	2,642	5,901	5,590
Expected Cash flow in year 4	5,642	3,269	5,855	4,670
Expected Cash flow in year 5	5,240	5,081	4,713	4,619
Expected Cash flow in year 6	6,159	4,401	4,557	3,697
Expected Cash flow in year 7	2,942	4,397	2,535	3,575
Expected Cash flow in year 8	3,322	2,578	2,479	1,893
Expected Cash flow in year 9	3,764	2,661	2,417	1,884
Expected Cash flow in year 10	1,231	3,123	1,111	1,858

vii. Significant estimates: Sensitivity analysis

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

Effect on Gratuity valuation

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	57,113	47,112	0.00%	0.00%
Salary Escalation - Up by 1%	59,727	48,701	4.60%	3.40%
Salary Escalation - Down by 1%	54,716	45,418	-4.20%	-3.60%
Withdrawal Rates - Up by 1%	57,550	47,593	0.80%	1.00%
Withdrawal Rates - Down by 1%	56,633	46,586	-0.80%	-1.10%
Discount Rates - Up by 1%	55,131	45,275	-3.50%	-3.90%
Discount Rates - Down by 1%	59,315	49,144	3.90%	4.30%



**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
Under Base Scenario	51,160	45,475	0.00%	0.00%
Salary Escalation - Up by 1%	52,891	47,091	3.40%	3.60%
Salary Escalation - Down by 1%	49,520	43,942	-3.20%	-3.40%
Withdrawal Rates - Up by 1%	51,333	45,683	0.30%	0.50%
Withdrawal Rates - Down by 1%	50,977	45,256	-0.40%	-0.50%
Discount Rates - Up by 1%	49,934	44,286	-2.40%	-2.60%
Discount Rates - Down by 1%	52,481	46,751	2.60%	2.80%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2018	As at 31-03-2017
Profit after tax before exceptional items	17,31,017	17,38,950
Add: exceptional items	-	14,29,249
Profit after tax after exceptional items	17,31,017	31,68,200
Profit available for Equity Shareholders	17,31,017	31,68,200
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (in Rupees) - before exceptional item	27,484.32	27,621.13
Basic and diluted Earnings Per Share (in Rupees) - after exceptional item	27,484.32	50,285.33





**43. Related Party Transactions****A. List of related parties****(% of holding)**

Name of the related party	As at 31-03-2018	As at 31-03-2017
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswan mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personnel:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R.S	Vice-Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	Fellow Government company

**B. Related party transactions****1. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income (Dividend)
Andhra Pradesh granite (Midwest) private limited	1,17,283	-
Pallava red granite private limited	32,520	-



**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2018	As at 31-03-2017
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,30,914
Pallava red granite private limited	35,628	46,946
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	1,721	1,721

**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2018	As at 31-03-2017
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	12,056

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2018	As at 31-03-2017
Ongole Iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCLL Sulliyarl coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679

Investment in joint ventures	As at 31-03-2018	As at 31-03-2017
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	24,217

Investment in associates	As at 31-03-2018	As at 31-03-2017
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Maigasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250



RIP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2018	As at 31-03-2017
Sri Ch.Venkiah Chowdary, I.R.S	921	998

**vi. Interest free loan to related party**

Name of the related party	As at 31-03-2018	As at 31-03-2017
AP state fibernet limited	6,00,000	10,00,000

**44. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor
Andhra phosphate private limited	The company lease rights was expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.



Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh Iron ore company limited	The company has not commenced the operations and non-operative.
Glimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.



Pallava red granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.
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#### 45. Deferred tax asset /(liability)

Particulars	As at 31-03-2018	As at 31-03-2017
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	8,421	4,725
Provision for decommissioning asset	17,405	16,191
Property, plant and equipment	11,123	6,382
Other provisions	52,921	47,207
<b>Total deferred tax asset</b>	<b>89,870</b>	<b>74,505</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,538	5,076
<b>Total deferred tax liability</b>	<b>2,538</b>	<b>5,076</b>
<b>Deferred tax asset /(Liability) - net</b>	<b>87,333</b>	<b>69,429</b>

#### 46. CSR Expenditure

- Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs.70,686).
- Amount spent during the year

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Construction/ acquisition of any assets	-	-
Purpose other than above	1,37,247	19,160

#### 47. Treatment demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDCL as on 01.06.2014 between APMDCL and TSMDC was prepared.





- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
Current/Non-Current liabilities			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
Total	1,36,05,641	79,34,810	56,70,831



Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,399	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits - BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.70,97,058/- Thousands (Sweep accounts of Rs.70,715 /- and fixed deposits of Rs.70,26,343 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an Interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017-AS, II - Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2022.



Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs 100.00 crores, an amount of Rs.60.00 crores has been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

#### 49. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapathnam	46.31
5	Srikakulam	8.04
6	Suliyani	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>



## 50. Additional Information

### 50.1 Particulars of consumption of raw material

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	22,230	100.00	33,333	100.00
<b>Total</b>	<b>22,230</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

### 50.2 Particulars of consumption of stores & spares

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2018		Figures as at the end of 31 <sup>st</sup> March, 2017	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	8,673	100.00	13,296	100.00
<b>Total</b>	<b>8,673</b>	<b>100.00</b>	<b>33,333</b>	<b>100.00</b>

## 51. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> march, 2017, the board of directors of the company in their meeting held on 17<sup>th</sup> Sep, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2018. The reported amounts as on 31<sup>st</sup> march, 2018 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> march, 2017 and subsequent approval at annual general meeting. Necessary adjustments if any will be made in subsequent years.

52. During the year, following head of accounts have been restated on account of correction of errors of earlier years.

(Rs.in.Thousands)

Sl.no	Head of account	Amount	Note no
1	Exploration intangible assets under development & other equity	16,037	3 & 17
2	Other equity & Other financial liabilities	91	17 & 22
3	Other financial liabilities & other expenses	3,691	22 & 34
4	Other current liabilities & other expenses	346	23 & 34





5	Other financial liabilities & employees benefits expense	4	22 & 30
6	Other non-current assets & employees benefits expense	3,175	8 & 30
7	Other non-current assets & other income	(3,175)	8 & 27
B	<b>Total</b>	<b>20,169</b>	<b>-</b>

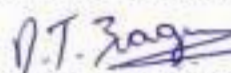
### 53. Andhra Pradesh Granite (Midwest) Private Limited

The joint venture company operations were affected during previous year due to failure in approved quantity laid down in environmental clearance ("EC"). During the year the company incurred loss of Rs 29,728/- (thousands) and its current liabilities exceeded its current assets by Rs.59,270/- (thousands). The company stopped production in May, 2018 and the company made full and final settlement to employees in the month of Jun, 2018. The company is likely to be liable for penalties for excess production. However, the accounts of the company for the year ended 31<sup>st</sup> March, 2018 have been prepared on Going Concern basis. The joint venture company is confident of obtaining approvals from concerned authorities for enhanced production and is likely to resume operations shortly. The auditor of the joint venture had drawn an emphasis of matter relating to "Material Uncertainty relating to Going Concern" in their Audit Report for the year in this regard.

### 54. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations and subsequent reconciliations if any.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).


For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325


  
Dondeti Teja Sagar  
Partner  
Mem No.227878



for and on behalf of the board of directors

  
V.G. Venkata Reddy  
VC&MD  
DIN:08805525

  
D. Rama Devi  
Director  
DIN:08076094

  
A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: 17<sup>th</sup> September, 2022

UDIN: 22227878 ASW DJH 8228





STATEMENT OF FINANCIAL RESULTS FROM 2008-09 TO 2017-18						Rupees in Lakhs				
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
I) Sources of Funds										
a). Share Capital	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
b). Loan From Bank	3,389.78	0	0	0	0	0	0			
c). Loan From Government	0	0	0	0	0	0	0			
TOTAL	4,020.40	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62	630.62
II) Sales	15,647.03	21,699.84	23,416.59	38,241.10	65,639.90	51,431.01	19,994.11	67950.38	54605.32	66084.85
III) INVENTORIES										
a. Stock (Finished Goods and										
Work-in-Progress)	905.43	1,571.31	1,783.65	427.31	516.13	3,056.68	7,152.43	6034.94	14456.38	8259.92
b. Stores & Spares	84.02	70.12	74.48	198.81	142.04	118.04	86.07	80.24	72.13	117.48
IV) Debtors	2,249.25	2,278.36	869.49	900.87	1,145.45	1,751.93	1,238.06	1396.1	3261.67	14233.86
V) Fixed Assets										
Gross Block	1,605.03	1,628.01	1,933.41	2,429.79	2,559.47	2,823.44	2,702.91	2,582.19	4,754.14	5,633.89
Less: Depreciation	-739.95	-791.83	-898.67	-1,045.05	-1,070.86	-1,271.62	-1,432.97	-369.94	-811.66	-1,256.40
Net Block	865.08	836.18	1,034.74	1,384.74	1,488.61	1,551.82	1,269.93	2,212.25	3,942.48	4,377.49
Capital Work-in-Progress	3.59	8.39	3.87	0.61	0.03	115.74	614.59	0	29627.99	29850.74
TOTAL	868.67	844.57	1,038.61	1,385.35	1,488.64	1,667.56	1,884.52	2,212.25	33,570.47	34,228.23
VI) Loans & Advances	7,778.87	5,293.48	5,465.24	7,740.11	33,467.31	28,271.79	26,009.10	50001.14	38661.54	42440.93
VII) Other Current Assets (including										
Cash and Bank Balances	15,062.82	17,377.68	27,862.53	50,064.90	62,113.52	1,07,851.19	63,172.85	15,444.98	78,611.32	99,987.14
VIII) Current Liabilities and Provisions	7,974.04	6,660.86	10,203.75	18,552.90	24,367.60	40,469.44	37,777.21	42,704.49	36,902.92	40,083.45
IX) Profit (+) Loss (-) for the year	6,669.78	8,383.59	9,705.23	23,053.43	48,124.81	43,502.50	17,147.83	29,950.77	31,755.42	17,336.96
X) Profit Percentage %	42.63	38.63	41.45	60.28	73.32	84.58	85.76	44.07	58.15	26.23
XI) Dividend paid	100.9	100.9	157.65	157.65	157.65	157.66	157.66	157.66	-	-
XII) Dividend %	16	16	25	25	25	25	25	25	-	-



**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

**Report on the Audit of the Standalone Financial Statements**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- i) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the year Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details were not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	46,87,42,953	Cr
2	Int. on FDR's, BCs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,02,28,95,567	Cr



3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	1,02,88,83,396	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,59,63,767	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	95,11,26,206	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	6,37,56,23,992	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	15,52,76,968	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,00,89,08,080	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,35,65,991	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	12,77,65,275	Dr
11	Int. Accr. on FDR kept for BG's	14	Other Financial Assets (Current)	48,20,239	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	8,97,85,546	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,16,79,496	Dr
14	Int. on Fixed Deposits	27	Other Income	44,77,63,538	Cr
15	Int. on FD kept for BG	27	Other Income	84,87,688	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	6,48,69,400	Cr
17	Int on Sweep account SBKh	27	Other Income	43,50,127	Cr

ii) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2019 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.

iii) The following Ledger balances as on March 31, 2019 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2019 (In Rs.)
Adv.to EE Panc.Raj Dep(RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation )	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	51,52,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796





Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements.
- v) Inventories consists of Finished Goods amounting to Rs. 91,44,28,761 and Stores and Spares amounting to Rs. 69,17,837 as on 31<sup>st</sup> March 2019. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the Standalone Financial Statements could not be ascertained.
- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 49.94 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- viii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs. 1.32 Crores (Credit), Deposit with Sales Tax Department of Rs. 5.90 Crores (Debit), Pre Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chimakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of seignorage fee of Rs. 0.35 crores (Credit) and Service tax payable (Head Office) amounting to 5.25 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.



- ix) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.
- x) The company has Trade Receivables balance amounting to Rs. 141.55 Crores. Balance confirmations from Parties under Trade Receivables amounting to Rs 138.51 Crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings: -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xii) The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State FiberNet Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. During the year, APSFL has not repaid the first installment of Rs. 20 crores on due date as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.





We conducted our audit of Standalone Financial statements in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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



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

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

#### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

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

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

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

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





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

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

#### **Other Matters**

The financial statements of the Company for the year ended March 31, 2017 and March 31, 2018 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on July 14, 2022 and 17<sup>th</sup> September, 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017 and March 31, 2018, the Board of Directors of the Company in their meeting held on 21<sup>st</sup> October 2022 approved the financial statements for the year ended March 31, 2019. Consequently, we have completed our audit for the year ended March 31, 2019 and March 31, 2018 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2018 and March 31, 2017 respectively. The reported amounts as on March 31, 2019 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and March 31, 2018 and subsequent approval at the Annual General Meeting.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable which is subject to the possible effect of the matters described in the Basis for Qualified Opinion paragraphs above and our separate report on the Internal Controls over Financial Reporting.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
  - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.



e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 37 to the Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022



For Sri Ramamurthy & Co  
Chartered Accountants  
FRN 0030325

*D. T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Mem No: 227878

UDIN: 22227878 501045 5387



### Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2019)

With reference to Annexure - A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2019, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangammampeta (Carrying Amount: 23,43,985) and 2.07 Acres at Dwarakaturumala (Carrying Amount: 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of Inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we cannot comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (III) of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing





undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with appropriate authorities.

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures as at Balance Sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 Issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause 3(xi) of the Order is not applicable.



- (xii) The Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause 3(xv) of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the Order is not applicable.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*D. Teja Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

UIN: 22227878/BO10455387

#### **Annexure - B to the Independent Auditors' Report**

{Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2019}

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the Internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.





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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2019.

Based on the limited audit procedures performed by us during the course of our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.



d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.

e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2019 and these material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a Qualified opinion on the financial statements of the Company.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

UOW: 22227878 B01045 T387



**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.





6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2018-19. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the FY 2018-19.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa during the year.



14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2018-19.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



*[Signature]*

CA. D. TEJA SAGAR  
Partner  
Mem No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

UDIN: 22227878 BDI09S53E2

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Balance Sheet as at March 31, 2019**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,82,479	4,37,749
Intangible assets	3	1,188	1,760
Capital work in progress	3	-	12,822
Exploration intangible assets under development	3	57,97,120	29,72,252
<b>Financial assets</b>			
Investments	4	11,027	11,027
Loans	5	8,09,201	6,05,230
Other financial assets	6	76,29,188	71,88,451
Deferred tax assets (net)	7	1,08,896	87,332
Non-current tax assets (net)	8	6,57,629	7,60,498
Other non-current assets	9	23,11,339	18,06,317
<b>Current assets</b>			
Inventories	10	9,20,547	8,36,941
<b>Financial assets</b>			
Trade receivables	11	14,15,504	14,23,386
Cash and cash equivalents	12	1,77,598	1,49,694
Other bank balances	12	4,40,332	24,14,702
Loans	13	22,01,622	724
Other financial assets	14	2,47,930	2,52,496
Other current assets	15	4,18,766	3,90,780
<b>TOTAL ASSETS</b>		<b>2,36,30,365</b>	<b>1,93,52,161</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	1,86,13,829	1,52,80,755
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	27,81,670	25,66,785
Provisions	19	54,065	50,293
Other non-current liabilities	20	79,733	79,232
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	1,84,687	2,40,681
Other financial liabilities	22	7,68,971	5,90,047
Other current liabilities	23	3,83,059	1,60,014
Provisions	24	-	10,746
Current tax liabilities (net)	25	7,01,246	3,10,547
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,36,30,365</b>	<b>1,93,52,161</b>

**Notes to financial statements**

1-55

The accompanying notes are an integral part of these standalone financial statements

As per our report

**For Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325  
*P.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No. 227878



Place: Visakhapatnam  
Date: November 16, 2022

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A

Place: Vijayawada  
Date: October 21, 2022



UDIN: 2222787813010455387



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
 All amounts are in thousands, unless otherwise stated

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income</b>			
Revenue from operations	26	86,21,521	76,16,063
Other income	27	7,86,188	5,53,075
<b>Total Income</b>		<b>94,07,709</b>	<b>81,69,138</b>
<b>Expenses</b>			
Cost of materials consumed	28	18,458	22,231
Change in inventories of finished goods	29	(88,437)	6,19,647
Employee benefits expense	30	3,97,585	3,21,319
Finance costs	31	38,703	29,172
Depreciation and amortization expense	32	56,901	46,864
Power and fuel	33	54,483	59,656
Excavation & transport charges	34	17,13,825	27,37,476
Other expenses	35	19,17,063	15,21,982
<b>Total Expenses</b>		<b>41,08,581</b>	<b>53,58,347</b>
<b>Profit before exceptional items and tax</b>		<b>52,99,129</b>	<b>28,10,791</b>
Add : Exceptional items (Net)		-	-
<b>Profit before tax</b>		<b>52,99,129</b>	<b>28,10,791</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax		19,88,986	10,90,085
Deferred tax		(21,588)	(12,990)
<b>Total tax expense/(benefit)</b>		<b>19,67,398</b>	<b>10,77,095</b>
<b>Profit for the year from continuing operations</b>		<b>33,31,731</b>	<b>17,33,696</b>
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year (A)</b>		<b>33,31,731</b>	<b>17,33,696</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		1,371	(5,417)
Income tax on above items		(2)	4,914
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>1,346</b>	<b>(503)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>33,33,077</b>	<b>17,33,193</b>
<b>Earnings per equity share (In Rs.) -</b> <b>(Nominal value of share Rs.1000/-)</b>			
• Before exceptional item	42	52,832.59	27,491.93
• After exceptional item		52,832.59	27,491.93
<b>Notes to financial statements</b>	<b>1-55</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For Sri Ramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0040925

Dondeti Teja Sagar  
 Partner  
 Mem No.227878



Place : Yesakthapattanam  
 Date : November 15, 2022

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08605525

*O. Ramadevi*  
 O. Ramadevi  
 Director  
 DIN: 08076094

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A

Place : Vijayawada  
 Date : October 21, 2022



UDIN: 222278783010455387

## Statement of Changes in equity for the year ended March 31, 2019

## A. Equity share capital

(Rs. in '000's)

Particulars	No. of Shares	Amount
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 1 <sup>st</sup> April, 2018	63,062	63,062
Changes in equity share capital during 2018-19	-	-
Balance as at March 31, 2019	63,062	63,062

## B. Other Equity

(Rs. in '000's)

Particulars	Reserve and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves (General reserve)	Retained Earnings	Equity instruments through Other Comprehensive Income	Actuarial Gains/losses reserve	Deferred tax on OCI Items	
Balance as at March 31, 2017	22,000	18,690	17,04,961	1,18,20,392	(5,657)	3,251	(5,076)	1,35,58,561
Provision for diminution in value of investments	(11,000)	-	-	-	-	-	-	(11,000)
Profit for the year	-	-	-	17,33,696	-	-	-	17,33,696
Other comprehensive income for the year	-	-	-	-	-	(5,417)	4,913	(503)
Total comprehensive income for the year	-	-	-	17,33,696	-	(5,417)	4,913	17,33,193
Transfer to reserve for bad and doubtful debts	-	62,871	-	(62,871)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(7,985)	-	5,417	2,568	-
Balance as at March 31, 2018	11,000	81,561	17,04,961	1,34,83,232	(5,657)	3,251	2,403	1,52,80,794
Profit for the year	-	-	-	33,31,731	-	-	-	33,31,731
Other comprehensive income for the year	-	-	-	-	-	1,371	(25)	1,346
Total comprehensive income for the year	-	-	-	33,31,731	-	1,371	(25)	33,33,077
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	11,000	81,109	17,04,961	1,68,15,415	(5,657)	4,622	2,378	1,86,13,831

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy &amp; Co

Chartered Accountants

Firm Regn No: 0030325

PT Sagar

Dondeti Teja Sagar

Partner

Mem No.22/8/18



V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

D. Ramadevi

Director

DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A

Place: Vijayawada

Date: November 15, 2023

Place: Vijayawada

Date: October 21, 2022

UDIN: 222278780010455387



The Andhra Pradesh Mineral Development Corporation Limited  
Cash flow statement for the year ended March 31, 2019  
All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	52,99,127	28,10,791
Adjustments for:		
Interest expense	34,477	15,663
Unwinding of discounting on provisions	3,772	3,509
Interest income	(7,59,911)	(5,47,641)
Depreciation/amortization on continuing operations	56,901	46,864
Provision bad & doubtful debts	20,541	16,260
Provision bad & doubtful advances	10,838	3,424
Remeasurement of defined benefit plans	1,371	(5,417)
Provision no longer require within bank	(4,538)	(2)
Operating profit before working capital changes	46,82,479	23,53,451
Adjustments for working capital:		
Increase/(decrease) in trade payables	(55,794)	(18,500)
Increase/(decrease) in provisions	(6,179)	2,69,814
Increase/(decrease) in other financial liabilities	6,18,258	52,737
Increase/(decrease) in other liabilities	(863)	6,366
Decrease/(increase) in trade receivables	(12,660)	(1,13,479)
Decrease/(increase) in inventories	(85,606)	6,15,112
Decrease/(increase) in other assets	(5,18,421)	3,06,800
Decrease/(increase) in other financial assets	(4,51,594)	(1,00,841)
Cash generated from operations	41,41,490	23,71,460
Direct taxes paid (net of refunds)	14,95,417	13,74,509
Net cash flow from/(used in) operating activities (A)	26,46,073	12,46,951
Cash flow from investing activities		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, CWIP and Capital advances	(29,13,104)	(1,20,473)
Movements in other bank balance	19,74,370	(21,21,551)
Loans repaid / Given to related parties	(24,00,000)	4,00,000
Loans repaid / Given to staff	(4,869)	(1,716)
Interest received	7,59,911	5,47,641
Net cash flow from/(used in) investing activities (B)	(25,83,692)	(13,06,101)
Cash flow from financing activities		
Interest paid	(34,477)	(25,663)
Net cash flow from/(used in) financing activities (C)	(34,477)	(25,663)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	27,903	(84,813)
Cash and cash equivalents at the beginning of the year	1,09,695	2,34,508
Cash and cash equivalents at the end of the year	1,77,598	1,49,695
Components of cash and cash equivalents		
Cash on hand	104	135
With banks accounts	1,77,494	1,49,559
Total cash and cash equivalents (Note 12)	1,77,598	1,49,694

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the Indirect method as set out in Ind As -7

As per our report

For and on behalf of the Board of Directors

For Srikrumamurthy & Co  
Chartered Accountants  
Firm Regn No. 0010325

*P.T. Sagar*  
Dondeti Teja Sagar  
Partner

Mem No. 227878

UIN: 222278785010455387

Place: Vijayawada

Date: November 16, 2022

V.G. Venkata Reddy  
VC & MD  
DIN: 08905525

D. Ramadevi  
Director  
DIN: 08076094

A. Nageswara Reddy  
General Manager - F&A

Place: Vijayawada

Date: October 21, 2022





## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh- 521137

### 2. Significant Accounting Policies

#### a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 as amended and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.





An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.



#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.



Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use

Mining properties and other assets in the course of development or construction and freehold land are not depreciated

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).



Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 5,00,000 MTs from financial year 2013-14 onwards and the remaining stock is considered without value. Due to rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value.

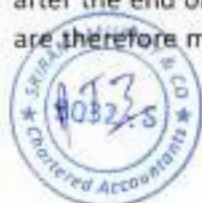
**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be





made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

##### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

##### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.





**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.



**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:



- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The company has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.

#### **r. Leases**

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight line basis over the period of the lease.

#### **s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

#### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

#### **iv. De-recognition of financial assets**

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

### **Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

#### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if





- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

#### **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

#### **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

#### **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

#### **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed



Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company



**The Andhra Pradesh Mineral Development Corporation Limited**

Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development for the year ended March 31, 2019

**Note -3**

	Gross block			Depreciation			Net block			
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Free hold land	2,27,947	50,979	-	2,78,926	-	-	-	-	2,78,926	2,27,947
Buildings	41,162	2,365	-	43,547	11,235	4,949	-	16,184	27,363	25,927
Plant and machinery	1,93,025	34,988	-	1,78,013	47,038	19,827	-	66,865	1,11,148	95,987
Furniture & fixtures	12,436	4,744	-	17,180	2,617	3,661	-	6,278	10,903	9,819
Vehicles	9,140	5	-	9,146	6,064	1,026	-	7,090	2,056	3,077
Office equipment	19,662	1,534	-	21,197	7,424	5,432	-	12,856	8,361	12,239
Mining and equipment	66,071	2,726	-	68,797	32,706	7,615	-	40,321	28,478	53,365
Data processing equipment	13,940	1,055	-	15,035	10,941	2,135	-	13,076	1,959	2,999
Tent & huts	2,934	-	-	2,934	2,249	400	-	2,649	285	685
Lease hold improvements	25,094	2,915	3,230	24,679	5,175	11,439	3,230	13,384	11,294	19,919
Mining property	1,976	-	-	1,976	191	79	-	270	1,706	1,785
Total	5,63,389	1,01,271	3,230	6,61,430	1,25,640	56,541	3,230	1,78,951	4,82,479	4,37,749
Previous year - 2017-18	4,75,414	89,757	1,781	5,63,389	81,165	46,256	1,781	1,25,640	4,37,749	3,94,248
Intangible Assets										
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Computer software	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Total	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Previous year - 2017-18	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Exploration intangible assets under development	29,72,252	28,24,868	-	57,97,120	-	-	-	-	57,97,120	29,72,252
Previous year - 2017-18	29,52,569	35,720	16,037	29,72,252	-	-	-	-	29,72,252	29,36,532
Capital work in progress	12,822	-	12,822	-	-	-	-	-	-	12,822
Previous year - 2017-18	8,392	12,822	8,392	12,822	-	-	-	-	12,822	8,392



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4	Non-current Investments	As at March 31, 2019	As at March 31, 2018
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCCL Subjari coal company limited 5,100 equity shares (March 31, 2018: 5,100) of Rs.10/- each fully paid up	51 (51)	51 (51)
	Less: Provision made for diminution in the value of shares		
	ii. M/s. Huzgaon coal company limited 3,000 equity shares (March 31, 2018: 3,000) of Rs.100/- each fully paid up	5,957 (5,957)	5,957 (5,957)
	Less: Provision made for diminution in the value of shares		
	iii. M/s. Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2018: 56,100) of Rs.10/- each fully paid up	561 (561)	561 (561)
	Less: Provision made for diminution in the value of shares		
	iv. M/s. Andhra phosphate private limited 1,110 equity shares (March 31, 2018: 1,110) of Rs.1000/- each fully paid up	1,110 (1,110)	1,110 (1,110)
	Less: Provision made for diminution in the value of shares		
	Investment in Associates		
	v. M/s. Aswat mineral development private limited 65,000 equity shares (March 31, 2018: 65,000) of Rs.10/- each fully paid up	650 (650)	650 (650)
	Less: Provision made for diminution in the value of shares		
	vi. M/s. SRAP mineral private limited 3,250 equity shares (March 31, 2018: 3,250) of Rs.10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
	Less: Provision made for diminution in the value of shares		
	vii. M/s. Arjun minerals exports private limited 1,300 equity shares (March 31, 2018: 1,300) of Rs.10/- each fully paid up	1,300 (1,300)	1,300 (1,300)
	Less: Provision made for diminution in the value of shares		
	viii. M/s. hsa minerals exports private limited 1,300 equity shares (March 31, 2018: 1,300) of Rs.10/- each fully paid up	1,300 (1,300)	1,300 (1,300)
	Less: Provision made for diminution in the value of shares		
	ix. M/s. Morgaree granites private limited 1,100 equity shares (March 31, 2018: 1,100) of Rs.10/- each fully paid up	1,100 (1,100)	1,100 (1,100)
	Less: Provision made for diminution in the value of shares		
	x. M/s. Ongole minerals exports private limited 3,250 equity shares (March 31, 2018: 3,250) of Rs.10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
	Less: Provision made for diminution in the value of shares		
	xi. M/s. RLP granites private limited 3,250 equity shares (March 31, 2018: 3,250) of Rs.10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
	Less: Provision made for diminution in the value of shares		
	xii. M/s. AP coastal sands & metals private limited 13,000 equity shares (March 31, 2018: 13,000) of Rs.10/- each fully paid up	130 (130)	130 (130)
	Less: Provision made for diminution in the value of shares		
	xiii. M/s. Andhra Pradesh tribal mining private limited 28,600 equity shares (March 31, 2018: 28,600) of Rs.10/- each fully paid up	286 (286)	286 (286)
	Less: Provision made for diminution in the value of shares		





<b>Investment in Joint Ventures</b>		
vi. M/s A.P. Gratiast (Madhav) private limited 11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs.10/- each fully paid up	11,000	11,000
vii. M/s Alliance A.P. Black galaxy games private limited 11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
viii. M/s. Allastand grantees private limited 11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
ix. M/s. Gumpas AP banyan benligoon private limited 1,370 equity shares (March 31, 2018: 1,370) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
x. M/s Andhra banyan corporation private limited 8,52,500 equity shares (March 31, 2018: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xi. M/s Andhra Pradesh run one company limited 6,160 equity shares (March 31, 2018: 6,160) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	61 (61)	61 (61)
xii. M/s. Times banyan private limited 4,50,000 equity shares (March 31, 2018: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xiii. M/s K.V. minerals private limited 1,100 equity shares (March 31, 2018: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Investments measured at amortized cost</b>		
<b>Investment in Government Securities (unquoted)</b>	7,138	7,138
Less: Provision made for doubtful investment	(7,052)	(7,052)
	13,027	13,027
<b>Aggregate amount of quoted investments - Market value</b>		
<b>Aggregate amount of quoted investments - Book value</b>		
<b>Aggregate amount of unquoted investments</b>	11,077	11,077
<b>Aggregate provision for diminution in value of investments</b>	40,497	40,497
<b>Aggregate Provision made for doubtful investment</b>	7,404	7,404
<b>5</b>		
<b>Loans (Non-current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Security deposits</b>		
Unsecured, considered doubtful	9,292	9,292
Less: Provision for doubtful debts	(9,292)	(9,292)
<b>Loans to corporate</b>		
Unsecured, considered good	6,00,000	6,00,000
Loan to AP state liberal limited & Machilipatnam Urban Development Authority. Refer Note- 4T & 4B		
<b>Others</b>		
<b>Loans and advances to Employees</b>		
Unsecured, considered good	5,230	5,230
Unsecured, considered doubtful	256	68
Less: Allowance for bad and doubtful debts	(256)	(68)
<b>Total</b>	<b>8,05,203</b>	<b>6,05,200</b>





6	Other Financial Assets (Non-Current)	As at	As at
		March 31, 2019	March 31, 2018
	Unsecured, considered good - Refer note: 46		
	Balance in current accounts	10,010	5,738
	Long term bank deposits	75,49,800	73,04,007
	Sweep accounts	73,566	70,735
	Advance Receivable	5,802	7,250
	Unsecured, considered doubtful		
	Balance in call office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>76,29,188</b>	<b>71,88,452</b>
7	Deferred tax assets (Net)	As at	As at
		March 31, 2019	March 31, 2018
	Deferred tax asset		
	Property, plant & equipment	16,921	17,125
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,850	5,421
	Provision for decommissioning costs	18,891	17,405
	Provision for bad & doubtful debts, investments & advances	20,785	51,921
	<b>Total Deferred tax asset</b>	<b>1,13,459</b>	<b>89,870</b>
	Deferred tax liability		
	Investment	(2,563)	(2,538)
	<b>Total deferred tax liability</b>	<b>(2,563)</b>	<b>(2,538)</b>
	<b>Net Deferred tax asset</b>	<b>1,09,896</b>	<b>87,332</b>
8	Non current tax assets (Net)	As at	As at
		March 31, 2019	March 31, 2018
	Income Tax		
	Corporate tax receivable	6,57,625	7,60,495
	<b>Total</b>	<b>6,57,625</b>	<b>7,60,495</b>
9	Other non-current assets	As at	As at
		March 31, 2019	March 31, 2018
	A) Capital advances		
	Unsecured, considered good	2,39,387	2,39,387
	Unsecured, considered doubtful	27,024	26,024
	Provision for doubtful advances	(27,024)	(26,024)
		<b>2,39,387</b>	<b>2,39,387</b>
	B) Advances other than capital advances		
	Unsecured, considered good	11,87,678	10,07,079
	Unsecured, considered doubtful	18,011	18,812
	Less: Provision for doubtful advances	(28,013)	(28,872)
		<b>11,87,678</b>	<b>10,07,079</b>
	C) Others - Specified		
	Unsecured, considered good	8,80,256	5,50,909
	Unsecured, considered doubtful	56,358	10,164
	Less: Provision for doubtful advances	(56,198)	(10,164)
	Prepaid Expenses	4,038	-
		<b>8,84,274</b>	<b>5,58,909</b>
	<b>Total</b>	<b>19,11,339</b>	<b>18,08,317</b>
10	Inventories	As at	As at
		March 31, 2019	March 31, 2018
	Finished Goods	9,14,419	8,15,092
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	6,418	31,746
	<b>Total</b>	<b>9,20,547</b>	<b>8,36,941</b>



11	Trade receivables (Current)	As at March 31, 2019	As at March 31, 2018
	Unsecured, considered good	14,15,504	14,23,386
	Unsecured, considered doubtful	57,659	58,544
	Less: Allowance for doubtful debts	(15,659)	(58,544)
	Total	14,15,504	14,23,386
12	Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
	Cash and cash equivalents		
	Balances with banks		
	In current accounts	1,77,494	1,44,353
	Cash on hand	174	135
	(A)	1,77,598	1,44,488
	Other bank balances		
	In saving accounts	4,40,332	14,14,702
	Fixed deposits with maturity > 3 months but < 12 months	-	10,00,000
	(B)	4,40,332	14,14,702
	Total	6,17,930	25,64,190
13	Loans (Current)	As at March 31, 2019	As at March 31, 2018
	Loans to corporate		
	Unsecured, considered good		
	Loan to AP State Fibrenet Limited & Muzhupattam Urban Development Authority. Refer Note. 47 & 48	22,00,000	-
	Others	-	-
	Loans and Advances to employees		
	Unsecured, considered good	1,672	724
	Total	22,01,672	724
14	Other financial assets (Current)	As at March 31, 2019	As at March 31, 2018
	Deposits with others		
	Unsecured, considered good	53	37
	Advances receivable in cash		
	Unsecured, considered good	2,47,860	2,52,459
	Unsecured, considered doubtful	4,594	4,595
	Less: Provisions made	(4,592)	(4,595)
	Total	2,47,922	2,52,496
15	Other current assets	As at March 31, 2019	As at March 31, 2018
	A) Advances recoverable		
	Unsecured, considered good	59,095	63,544
		59,095	63,544
	B) Others - Specified		
	Unsecured, considered good		
	Balance with statutory authorities	1,02,112	1,63,498
	Prepaid expenses	42,903	40,817
	Others	16,595	523
		1,61,610	1,64,838
	Total	1,61,610	1,64,838



2b	Equity Share capital	As at March 31, 2019	As at March 31, 2018
	Authorised share capital: 1,00,000 equity shares of Rs.1000/- each/ (Previous year: 1,00,000 equity shares of Rs.1000/- each)	1,00,000	1,00,000
		1,00,000	1,00,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs.1000/- each fully paid up/ (Previous year: 63,062 equity shares of Rs.1000/- each)	63,062	63,062
		63,062	63,062

#### 16.4 Additional notes

##### Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019	As at March 31, 2018
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

16.2 The company has one class of equity share having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

##### 16.3 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the share holder	As at March 31, 2019	As at March 31, 2018
Governor of the Andhra Pradesh, represented by Assistant Secretary to Government (mines) Industries & Commerce Department	63,062 (100%)	63,062 (100%)

17	Other equity	As at March 31, 2019	As at March 31, 2018
	Capital Reserve		
	Free rifle equity shares for consideration other than cash allotted by		
	i) M/s. Assam mineral development private limited 66,000 equity shares (March 31, 2018: 65,000) of Rs.10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	ii) M/s SRAP mineral private limited 3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	iii) Ashim minerals exports private limited 1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	iv) Isha minerals exports private limited 1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	v) Marganue granites private limited 1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs.10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	vi) Ongole mineral exports private limited 3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs.10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)



<p> <b>iii. M/P grantees private limited</b>            3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 100/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           3,250            (3,250)         </p>	<p>           3,250            (3,250)         </p>
<p> <b>iv. M/P &amp; S grantees (industrial) private limited</b>            11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           11,000            (11,000)         </p>	<p>           11,000            (11,000)         </p>
<p> <b>v. M/S All India A.P. Bhandari grantees private limited</b>            11,00,000 equity shares (March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           11,000            (11,000)         </p>	<p>           11,000            (11,000)         </p>
<p> <b>vi. M/S Palazhamed grantees private limited</b>            1,10,000 equity shares (March 31, 2018: 1,10,000) of Rs. 100/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           11,000            (11,000)         </p>	<p>           11,000            (11,000)         </p>
<p> <b>vii. M/S A.P. Industrial &amp; Metals private limited</b>            13,000 equity shares (March 31, 2018: 13,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           130            (130)         </p>	<p>           130            (130)         </p>
<p> <b>viii. M/S Hingole iron mining company private limited</b>            56,100 equity shares (March 31, 2018: 56,100) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           561            (561)         </p>	<p>           561            (561)         </p>
<p> <b>ix. M/S Gampuzha P. Narayana Venkatesh private limited</b>            3,333 equity shares (March 31, 2018: 3,333) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           33            (33)         </p>	<p>           33            (33)         </p>
<p> <b>x. M/S Reddy banya corporation private limited</b>            8,52,500 equity shares (March 31, 2018: 8,52,500) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           8,525            (8,525)         </p>	<p>           8,525            (8,525)         </p>
<p> <b>xi. M/S Anula traders &amp; services company limited</b>            6,850 equity shares (March 31, 2018: 6,850) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           69            (69)         </p>	<p>           69            (69)         </p>
<p> <b>xii. M/S Luma banya private limited</b>            4,50,000 equity shares (March 31, 2018: 4,50,000) of Rs. 10/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           4,500            (4,500)         </p>	<p>           4,500            (4,500)         </p>
<p> <b>xiii. M/S V. Manoj private limited</b>            1,100 equity shares (March 31, 2018: 1,100) of Rs. 100/- each fully paid up            Less: Provision made for diminution in the value of shares         </p>	<p>           110            (110)         </p>	<p>           110            (110)         </p>
	11,000	11,000
<b>Equity instruments through DCI</b>		
Opening balance		17,486
Other companies' income for the year	1,346	1,509
6.24.2018 Transferred from/(to) retained earnings	-	7,985
Closing balance	1,346	-
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	81,560	18,699
Adjustment transferred from/(to) profit and loss account	(652)	62,871
Closing balance	81,108	81,560
<b>General Reserve</b>		
Balance as per the last financial statements	17,04,961	17,04,961
Closing balance	17,04,961	17,04,961



Surplus/(Deficit) in the statement of profit and loss			
Balance at the last financial statement		1,34,83,293	1,34,20,194
Profit for the year		17,11,729	17,33,695
		1,51,95,022	1,51,53,889
Less: Appropriations			
Transferred from/to other comprehensive income		-	1,985
Reserve for bad and doubtful debts		(452)	62,871
Total appropriations		(452)	70,856
Net surplus in statement of profit and loss		1,51,94,570	1,51,51,908
Total reserves and surplus taken to balance sheet		1,51,94,570	1,51,51,908
18 Other financial liabilities (Non-Current)		As at March 31, 2019	As at March 31, 2018
Expenses payable against infrastructure development		64,372	70,320
Deposits		17,280	17,280
Others - refer note 4b		27,05,218	24,75,181
Total		27,86,870	25,62,781
19 Provisions (Non-current)		As at March 31, 2019	As at March 31, 2018
Provision for Others			
Provision for decommissioning cost		54,065	50,293
Total		54,065	50,293
20 Other Non-current liabilities		As at March 31, 2019	As at March 31, 2018
Others			
Leasing liabilities		79,733	79,732
Total		79,733	79,732
21 Trade payables (Current)		As at March 31, 2019	As at March 31, 2018
Trade payables			
Due to micro enterprises and small enterprises			
Due to creditors other than micro enterprises and small enterprises		1,84,687	2,40,687
Total		1,84,687	2,40,687
Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below			
Particulars		As at March 31, 2019	As at March 31, 2018
a) Principal amount and interest due thereon			
b) Interest paid in terms of section 18 of MSME Act			
c) Interest due and payable for the period of delay excluding interest specified under MSME Act			
d) Interest accrued and remaining unpaid at the end of the year			
e) Further interest due and payable in terms of section 18 of MSME Act, 2006			

Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.





22	Other financial liabilities (Current)	As at March 31, 2019	As at March 31, 2018
	Salaries & other benefits payable	33,143	33,788
	Security deposits from customers	3,06,710	2,63,212
	Other payables	4,41,023	3,20,967
	Total	7,68,973	5,90,047
23	Other current liabilities	As at March 31, 2019	As at March 31, 2018
	Advance from customers	3,64,317	1,39,878
	Statutory liabilities	16,772	10,110
	Total	3,63,099	1,60,010
24	Provisions (Current)	As at March 31, 2019	As at March 31, 2018
	Provision for employee benefits:		
	Provision for gratuity	-	8,140
	Provision for leave benefits	-	2,620
	Total	-	10,746
25	Current tax liabilities	As at March 31, 2019	As at March 31, 2018
	Provision for income tax	7,03,346	3,30,542
	Total	7,03,346	3,30,542



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26	Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
	Sale of products	85,76,488	74,57,841
	Sale of services	45,032	1,58,222
	<b>Total</b>	<b>86,21,521</b>	<b>76,16,063</b>
27	Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
	Interest income		
	Bank deposits	6,25,728	4,61,466
	Loans	287	252
	Others	1,34,896	35,974
	Rent receipts	721	719
	Forfeiture of security deposit	18,000	2,488
	Sale of tender documents	2,252	996
	Liabilities no longer required written back	4,548	2
	Other miscellaneous income	666	1,218
	<b>Total</b>	<b>7,86,188</b>	<b>5,53,075</b>
28	Cost of materials consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
	Packing material	18,458	22,231
	<b>Total</b>	<b>18,458</b>	<b>22,231</b>
29	Changes in Inventories of finished goods	For the year ended March 31, 2019	For the year ended March 31, 2018
	a) Opening stock of finished goods	8,25,992	10,45,639
		8,25,992	10,45,639
	b) Closing stock of Finished Goods	9,14,429	8,25,992
		9,14,429	8,25,992
	<b>Changes in Inventories of finished goods</b>	<b>[88,437]</b>	<b>6,19,647</b>



30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Salaries and wages	3,20,655	1,89,561
	Contribution to PF and other funds	51,950	1,09,155
	Staff welfare expenses	24,980	22,603
	<b>Total</b>	<b>3,97,585</b>	<b>3,21,319</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Unwinding of discount of provision	4,226	3,509
	Interest - Others	34,477	25,663
	<b>Total</b>	<b>38,703</b>	<b>29,172</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Depreciation of Plant, Property and Equipment	56,157	45,203
	Amortization of intangible assets	744	661
	<b>Total</b>	<b>56,901</b>	<b>46,864</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Power and fuel	54,483	59,656
	<b>Total</b>	<b>54,483</b>	<b>59,656</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Excavation & transport charges for run of mine	3,87,895	2,13,813
	Excavation & transport charges for overburden	11,25,930	25,23,653
	<b>Total</b>	<b>17,13,825</b>	<b>27,37,476</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Rents	12,264	11,905
	Repairs & maintenance	15,891	8,673
	Insurance	943	1,047
	Rates and taxes		
	Royalty	7,16,362	6,12,750
	DMF	2,14,909	1,83,825
	NAMET	14,327	12,255
	Cess	46,576	39,830
	Other Rates and Taxes	1,31,869	16,875
	<b>Other expenses</b>		
	Operating expenses	40,091	37,786
	Milling charges	37,275	39,918
	Transport and Weagon loading charges	91,624	26,619
	Selling expenses	28,574	26,011
	New project expenses	1,432	20,710
	Office & general expenses	67,763	67,978
	Payment to auditors [refer note no 35.1]	750	500
	Audit fee for other auditors	400	436
	Printing & stationery	3,730	2,475
	Corporate social responsibility expenses	75,620	1,37,247
	Remuneration to out sourced services	2,61,117	2,46,904
	Provision for doubtful debts	20,542	16,260
	Provision for doubtful advances	30,838	3,424
	Data processing charges	1,542	7,477
	Rehabilitation expenses	9,636	4,032
	Donations	1,00,000	-
	Miscellaneous Expenditure	2,087	-
	<b>Total</b>	<b>19,17,063</b>	<b>18,21,982</b>



35.1	Payment to Auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
	Statutory audit fee	750	500
	<b>Total</b>	<b>750</b>	<b>500</b>

### 36 Income Tax

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current tax:</b>		
Current income tax charge	19,88,986	10,90,085
<b>Total (a)</b>	<b>19,88,986</b>	<b>10,90,085</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(21,588)	(12,990)
<b>Total (b)</b>	<b>(21,588)</b>	<b>(12,990)</b>
<b>Total</b>	<b>19,67,398</b>	<b>10,77,095</b>

### Other comprehensive income

Items that will not be reclassified to P&L	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of Defined Benefit Plan Loss/Gain		
Granulity	(350)	(5,854)
Leave encashment	1,721	1,447
Deferred tax on above items	(25)	4,914
<b>Total</b>	<b>1,346</b>	<b>(503)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(loss) before tax as per statement of profit and loss	52,99,129	28,10,791
Applicable tax rate as enacted by the relevant finance Act	34.944%	34.608%
Computed Tax Expense	18,51,778	9,72,758
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(21,588)	(12,990)
ii) Adjustment due to expenses not considered under IT Act		
a) CSR Expenditure	26,425	47,498
b) Change in Depreciation	6,180	4,105
c) Provision for doubtful items	17,954	6,812
d) Other items	86,700	58,411
<b>Total income tax expense for the year</b>	<b>19,67,398</b>	<b>10,77,095</b>



**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2019	As at 31.03.2018
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,34,315
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Byers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No 237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>43,73,675</p> <p>7,62,935</p>	<p>36,97,005</p> <p>6,76,670</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2018-19, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	15,128
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2018-2019, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 38. Classification of financial instrument

A. Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2019

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Non-current investments	4	-	-	11,027	-	11,027
Advance recoverable	6	-	5,802	-	-	5,802
Loans	5 & 13	-	-	30,10,824	-	30,10,824
Trade receivables	11	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	12	-	-	1,77,598	-	1,77,598
Bank balances other than above	12	-	-	4,40,332	-	4,40,332
Balances with Banks and post office	6	-	-	83,576	-	83,576
Deposits	14	-	-	50	-	50
Fixed deposits	6	-	-	75,39,809	-	75,39,809
Interest receivable	14	-	-	2,47,880	-	2,47,880
<b>Total</b>		-	<b>5,802</b>	<b>1,29,26,600</b>	-	<b>1,29,32,402</b>
Trade payables	21	-	-	-	1,84,687	1,84,687
Relating to Employees	22	-	-	-	21,163	21,163
Expenses payable against Infrastructure Development	18	-	-	-	64,172	64,172
Others	18 & 22	-	-	-	31,41,301	31,41,301
Deposits	18 & 22	-	-	-	3,24,005	3,24,005
<b>Total</b>		-	-	-	<b>37,35,328</b>	<b>37,35,328</b>



As at 31st March, 2018

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Non-current investments	4	-	-	11,027	-	11,027
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12	-	-	1,49,694	-	1,49,694
Bank balances other than above	12	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Deposits	14	-	-	37	-	37
Advance recoverable	6	-	-	7,250	-	7,250
Fixed Deposits	6	-	-	71,03,707	-	71,03,707
Interest receivable	14	-	-	2,52,459	-	2,52,459
<b>Total</b>		-	-	<b>1,20,45,710</b>	-	<b>1,20,45,710</b>
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	27,82,172	27,82,172
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>33,97,514</b>	<b>33,97,514</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.





Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	57,659	58,564
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	57,659	58,564
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	14,15,504	14,23,386
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,15,504	14,23,386

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Barytes	4,31,076	(4,31,076)	3,80,803	(3,80,803)

###### b. Packing material price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(993)	993	(1,112)	1,112





**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for run of mine	(19,395)	19,395	(10,691)	10,691
Excavation & Transport Charges for Overburden	(66,296)	66,296	(1,26,183)	1,26,183

**40. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2019**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	1,84,687	1,84,687	-	-
Other financial liabilities	35,50,642	7,68,971	27,81,670	-
<b>Total</b>	<b>37,35,329</b>	<b>9,53,658</b>	<b>27,81,670</b>	<b>-</b>

**As at 31st March 2018**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	31,56,832	5,90,047	25,66,785	-
<b>Total</b>	<b>31,56,832</b>	<b>8,30,728</b>	<b>25,66,785</b>	<b>-</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2019	As at 31-03-2018
Employers contribution to provident fund	8,838	8,462
Employers contribution to pension fund	5,577	5,328



## B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2018

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	57,113	47,111	51,160	45,475
Service cost	2,405	2,253	1,982	4,006
Interest expenses	4,318	3,657	3,863	3,619
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(899)	(2,775)	(916)	(454)
Remeasurements - actuarial (gains)/losses	766	6,865	(1,206)	(1,486)
<b>Benefit obligations at the end</b>	<b>63,703</b>	<b>57,113</b>	<b>54,884</b>	<b>51,160</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	48,973	37,394	48,555	31,169
Interest income	4,182	3,353	4,272	(3,072)
Employer contributions	12,706	11,808	15,923	14,924
Benefits payments from plan assets	(1,770)	(3,584)	(1,197)	(573)
Actuarial gain / (loss) on plan assets	416	1	515	(39)
<b>Benefit obligations at the end</b>	<b>64,507</b>	<b>48,973</b>	<b>68,073</b>	<b>48,555</b>

ii. Amount recognized in the Balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
PV of obligations at the end of the year	63,703	57,113	54,884	51,160
Fair value of plan assets at the end of the year	64,507	48,973	68,073	48,555



Liability (+)/Asset (-)	(803)	8,140	(13,189)	2,606
recognised in the balance sheet				

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Service cost	2,405	2,253	1,982	4,006
Interest expenses	136	305	(408)	547
<b>Net expense recognised</b>	<b>2,541</b>	<b>2,558</b>	<b>1,574</b>	<b>4,553</b>

**iv. Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial (gain)/losses on obligations for the period	766	6,865	(1,206)	(1,487)
Actuarial (gain)/losses on plan assets for the period	(416)	(1)	(515)	(39)
<b>Net expense recognised</b>	<b>350</b>	<b>6,864</b>	<b>(1,721)</b>	<b>(1,448)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Rate of discounting	7.67%	7.62%	7.67%	7.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

**v. Summary of Demographic Assumptions**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.15	11.69	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave payment rate	-	-	2.00%	2.00%





**vi. Maturity Profile of Defined Benefit Obligations:**

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Expected Cash flow in year 1	30,539	25,041	26,299	22,279
Expected Cash flow in year 2	3,074	3,368	6,373	7,114
Expected Cash flow in year 3	6,190	3,649	7,166	5,901
Expected Cash flow in year 4	5,732	5,642	5,630	5,855
Expected Cash flow in year 5	6,570	5,240	5,436	4,713
Expected Cash flow in year 6	3,207	6,159	3,109	4,557
Expected Cash flow in year 7	3,895	2,942	2,972	2,535
Expected Cash flow in year 8	4,170	3,322	3,031	2,479
Expected Cash flow in year 9	1,362	3,764	1,341	2,417
Expected Cash flow in year 10	6,890	1,231	2,425	1,111

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Under Base Scenario	63,703	57,113	0.00%	0.00%
Salary Escalation - Up by 1%	66,358	59,727	4.20%	4.60%
Salary Escalation - Down by 1%	61,259	54,716	-3.90%	-4.20%
Withdrawal Rates - Up by 1%	64,133	57,550	0.70%	0.80%
Withdrawal Rates - Down by 1%	63,231	56,633	-0.80%	-0.80%
Discount Rates - Up by 1%	61,740	55,131	-3.10%	-3.50%
Discount Rates - Down by 1%	65,880	59,315	3.50%	3.90%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Under Base Scenario	54,884	51,160	0.00%	0.00%
Salary Escalation - Up by 1%	56,622	52,891	3.10%	3.40%
Salary Escalation - Down by 1%	53,231	49,520	-3.00%	-3.20%
Withdrawal Rates - Up by 1%	55,050	51,333	0.30%	0.30%
Withdrawal Rates - Down by 1%	54,707	50,977	-0.30%	-0.40%
Discount Rates - Up by 1%	53,682	49,934	-2.20%	-2.40%



Discount Rates - Down by 1%	56,176	52,481	2.30%	2.60%
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#### ix. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

#### x. Liability risks

##### a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 42. Earnings per share (EPS)

Particulars	As at 31-03-2019	As at 31-03-2018
Profit after tax before exceptional items	33,33,077	17,33,193
Add: exceptional items	-	-
Profit after tax after exceptional items	33,33,077	17,33,193
Profit available for Equity Shareholders	33,31,729	17,33,193
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	52,832.59	27,491.93
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	52,832.59	27,491.93

#### 43. Related Party Transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2019	As at 31-03-2018
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Sullyarl coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh Iron ore company limited	11.00%	11.00%





Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

Name of the related party	Relation
Sri Ch.Venkalah Chowdary, I.R.S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	Fellow Government company / Authority
Machilipatnam Urban Development Authority	
Rayalaseema Steel Corporation Limited	

**B. Related party transactions**

**i. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income
Andhra Pradesh granite (Midwest) private limited	-	-
Pallava red granite private limited	6,216	-
Machilipatnam Urban Development Authority	-	19,726

**ii. Amount due to/from related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,25,028
Pallava red granite private limited	41,844	35,628
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	-	1,721



iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:

Name of the related party	As at 31-03-2019	As at 31-03-2018
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	-

iv. Balance during the year with related parties

Investment in subsidiaries	As at 31-03-2019	As at 31-03-2018
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Suli vari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679

Investment in joint ventures	As at 31-03-2019	As at 31-03-2018
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217

Investment in associates	As at 31-03-2019	As at 31-03-2018
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716



**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2019	As at 31-03-2018
Sri Ch.Venkaiah Chowdary, I.R.S	2,142	921

**vi. Loan to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
AP state fibernet limited	10,00,000	6,00,000
Machilipatnam urban development authority	20,00,000	-

**vii. Advance to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Rayalaseema steel corporation limited	26,095	-

**44. Deferred tax asset /(liability)**

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	4,860	8,421
Provision for decommissioning asset	18,893	17,405
Property, plant and equipment	16,921	11,123
Other provisions	70,785	52,921
<b>Total deferred tax asset</b>	<b>1,11,459</b>	<b>89,870</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,563	2,538
<b>Total deferred tax liability</b>	<b>2,563</b>	<b>2,538</b>
<b>Deferred tax asset /(Liability) – net</b>	<b>1,08,896</b>	<b>87,333</b>

**45. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs.71,091).
- b. Amount spent during the year

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Construction/ acquisition of any assets	-	-
Purpose other than above	75,620	1,37,247





#### 46. Treatment demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio
  - APMDC-58.32%
  - TSMDC-41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	



<b>Current/Non-Current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

<b>Assets</b>	<b>Common Pool</b>	<b>AP</b>	<b>TS</b>
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.75,23,725/- Thousands (Sweep accounts of Rs.73,566 /- and fixed deposits of Rs.74,50,159 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the Interest earned there on.

#### **47. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.





The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No,Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs 100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

During the year, APSFL has not repaid the due instalment amount of Rs.20.00 crores as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.



#### **48. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Advance to Rayalaseema steel corporation limited**

During the year company has paid an amount of Rs.2.61 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the AMMDC. It further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs 2.61 crores has been provided towards provision for doubtful advance.

#### **50. Leasehold Lands**

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
Total		25,56.86



## 51. Additional Information

### 51.1 Particulars of consumption of raw material

(Rs. In Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	18,458	100.00	22,230	100.00
<b>Total</b>	<b>18,458</b>	<b>100.00</b>	<b>22,230</b>	<b>100.00</b>

### 51.2 Particulars of consumption of stores & spares

(Rs. In Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	15,891	100.00	8,673	100.00
<b>Total</b>	<b>15,891</b>	<b>100.00</b>	<b>8,673</b>	<b>100.00</b>

## 52. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 and 31<sup>st</sup> March, 2018 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022 and 17<sup>th</sup> September, 2022 respectively due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018, the board of directors of the company in their meeting held on 21<sup>st</sup> October, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2019. The reported amounts as on 31<sup>st</sup> march, 2019 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 53. Revenue from contracts with customers

The Company has implemented Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers w.e.f. 01st April, 2018 using the modified retrospective method of adoption. However, there is no financial implication due to implementation of the said Ind AS at present.





#### 54. Ind AS issued and not yet effective:

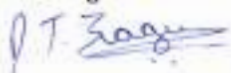
##### Ind AS 116 Leases :

Ministry of Corporate Affairs has notified 'The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia includes the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the 1st April 2019. The impact of the same is yet to be assessed. The Company is proposing to use the Modified Retrospective Approach for transitioning to Ind AS 116

##### 55. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

As per our report  
For Sri Ramamurthy & Co  
Chartered Accountants  
Firm Regn No.003032S

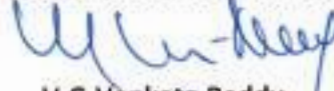
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878




UDIN: 22227878 BO10455387

Place: Visakhapatnam  
Date: November 15, 2022

for and on behalf of the board of directors

  
**V.G. Venkata Reddy**  
VC&MD  
DIN:08805525

  
**D. Ramadevi**  
Director  
DIN:08076094

  
**A. Nageswara Reddy**  
General Manager-F&A

Place: Vijayawada  
Date: October 21, 2022





## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying Consolidated financial statements of Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2019, its Consolidated profit (including other comprehensive income), Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

- i) We draw attention to Note No: - 44 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2019 and further reasons as detailed in Note No 44, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL sullyani coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%





10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margusree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for qualified Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the year Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details were not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/ Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	46,87,42,953	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,02,28,95,567	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	1,02,88,83,396	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,59,63,767	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	95,11,26,206	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	6,37,56,23,992	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	15,52,76,968	Dr



8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets [Non-Current]	1,00,89,08,080	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets [Non-Current]	7,35,65,991	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	12,77,65,275	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	48,20,239	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	8,97,85,546	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,16,79,496	Dr
14	Int. on Fixed Deposits	27	Other Income	44,77,63,538	Cr
15	Int. on FD kept for BG	27	Other Income	84,87,688	Cr
16	Interest on FDR BG - Without Lien	27	Other Income	6,48,69,400	Cr
17	Int. on Sweep account SBIkh	27	Other Income	43,50,127	Cr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2019 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2019 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2019 (in Rs.)
Adv.to EE Panch. Raj Dep(RIPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	51,52,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and





Equipment. Further, Property, Plant and Equipment have not been physically verified during the year. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements.

vi) Inventories consists of Finished Goods amounting to Rs. 91,44,28,781 and Stores and Spares amounting to Rs. 69,17,837 as on 31<sup>st</sup> March 2019. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of Inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of Inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.

vii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.

viii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMO payable, Stale Cheques Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 49.94 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

ix) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs. 1.32 Crores (Credit), Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit), Pre Deposit with Service Tax Department of Rs. 1.16 Crores (Debit), Service tax payable (Chimakurty) of Rs. 0.13 Crores (Credit), Interest Payable on Service tax of seignorage fee of Rs. 0.35 crores (Credit) and Service tax payable (Head Office) amounting to 5.25 Crores (Credit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.

x) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.







requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the "Other Matters" paragraph herein below is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

#### **Material Uncertainty Related to Going Concern**

We draw attention to the following "Materiality Uncertainty Related to Going Concern" paragraph in Independent Auditor's Report dated 22<sup>nd</sup> August 2019 on the separate financial statements of Andhra Pradesh Granite (Midwest) Private Limited, a joint venture of the company for the financial year 2018-19

*"We draw attention to Note no. 38 of the Ind AS Financial statements which indicates that the company incurred a net loss of Rs. 14,19,26,952, during the year ended 31<sup>st</sup> March 2019 and as of that date, the company's current liabilities exceeded its current assets by Rs 10,83,36,166. These events or conditions, along with other matters as set forth in Note No. 38, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern".*

The same has been referred to by the Group in Note No 56 to the consolidated financial statements.

Our opinion is not modified in respect of the above matter.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair





view of the Consolidated financial position, Consolidated financial performance including Consolidated other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiaries have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated



financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

#### Other Matters

1. The Consolidated financial statements of the Holding Company for the year ended March 31, 2017 and March 31, 2018 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on July 14, 2022 and 17<sup>th</sup> September, 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2017 and March 31, 2018, the Board of Directors of the Holding Company in their meeting held on 21<sup>st</sup> October 2022 approved the Consolidated financial statements for the year ended March 31, 2019. Consequently, we have completed our audit for the year ended March 31, 2019 and March 31, 2018 considering the opening balances based on the Consolidated financial statements as approved by the Board and audited by us for the year ended March 31, 2018 and March 31, 2017 respectively. The reported amounts as on March 31, 2019 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2017 and March 31, 2018 and subsequent approval at the Annual General Meeting.
2. We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Loss of Rs 150.11 lakhs for





the year ended 31<sup>st</sup> March 2019 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters as described in the Basis for qualified opinion paragraph.
- b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph of our report, proper books of account as required by law have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder subject to the possible effects of the matters described in the Basis for Qualified Opinion paragraph.
- e) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. In view of the related matters described in Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its



financial position in its Consolidated financial statements- Refer Note 37 to the Consolidated financial statements.

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure - B.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S



Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

*D. T. Sagar*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 BOI0203734

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2019)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Andhra Pradesh Mineral Development Corporation Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, as of March 31, 2019 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

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

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Companies/Entities considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Because of the matter described in Basis for Qualified Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Group.





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

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

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

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

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

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2019

Based on the limited audit procedures performed by us during the course of our audit, the following material weaknesses have been identified in the operating effectiveness of the Holding Company's internal Financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.



- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Group as at March 31, 2019 and these material weaknesses has affected our opinion on the Consolidated financial statements of the Group and we have issued a Qualified opinion on the financial statements of the Group.



Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022.

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

CA D. TEJA SAGAR  
Partner  
Memb No: 227878

UDIN: 22227878 BDI0203734

**ANNEXURE-B to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Holding Company. As such there is no financial impact involved
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there





-	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted for Tax Deducted at Source on Applicable Expenditure appropriately.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there is no Public Deposit Account in the name of the Holding Company.



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the Inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2018-19. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the FY 2018-19.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine and the same has been approved by Deputy Director of Mines and Geology, Kadapa during the year





14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2018-19 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2018-19.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.



For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

*[Signature]*

CA. D. TEJA SAGAR  
Partner  
Memb No: 227878

Place: Visakhapatnam  
Date: 15<sup>th</sup> November 2022

VOIN: 22227878 BDI0203734

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated Balance Sheet as at March 31, 2019**

All amounts are in thousands, unless otherwise stated

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	4,82,479	4,37,749
Intangible assets	3	1,188	1,760
Capital work in progress	3	-	12,822
Exploration intangible assets under development	3	57,97,120	29,71,252
<b>Financial assets</b>			
Investments	4	5,368	20,260
Loans	5	8,09,201	6,05,230
Other financial assets	6	76,29,188	71,88,451
Deferred tax assets (net)	7	1,08,896	87,332
Non-current tax assets (net)	8	6,57,629	7,60,498
Other non-current assets	9	23,11,339	18,06,317
<b>Current assets</b>			
Inventories	10	9,20,547	8,36,941
<b>Financial assets</b>			
Trade receivables	11	14,15,504	14,23,386
Cash and cash equivalents	12	1,77,598	1,49,694
Other bank balances	12	4,40,332	24,14,702
Loans	13	22,01,621	724
Other financial assets	14	2,47,930	2,52,496
Other current assets	15	4,18,766	3,90,780
<b>TOTAL ASSETS</b>		<b>2,36,24,706</b>	<b>1,93,61,394</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	1,86,08,171	1,52,89,987
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	27,81,670	25,66,785
Provisions	19	54,065	50,293
Other non-current liabilities	20	79,733	79,232
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	1,84,687	2,40,681
Other financial liabilities	22	7,68,971	5,90,047
Other current liabilities	23	3,83,099	1,60,014
Provisions	24	-	10,746
Current tax liabilities (net)	25	7,01,246	3,10,547
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,36,24,706</b>	<b>1,93,61,394</b>
<b>Notes to financial statements</b>	1-57		

The accompanying notes are an integral part of these consolidated financial statements

**As per our report**

**For Sri Ramamurthy & Co**  
Chartered Accountants  
Firm Regn No. 0030325

*P.T. Sagar*  
**Dondeti Teja Sagar**  
Partner  
Mem No 227K78



Place: Visakhapatnam  
Date: November 15, 2022

**For and on behalf of the Board of Directors**

*V.G. Venkata Reddy*  
**V.G. Venkata Reddy**  
VC & MD  
DIN: 08805525

*D. Ramadevi*  
**D. Ramadevi**  
Director  
DIN: 08076094

*A. Nageswara Reddy*  
**A. Nageswara Reddy**  
General Manager - F&A



Place: Vijayawada  
Date: October 21, 2022

UDW: 22227878 B010203734

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2019  
All amounts are in thousands, unless otherwise stated

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income</b>			
Revenue from operations	26	86,21,521	76,16,063
Other income	27	7,86,188	5,53,075
<b>Total Income</b>		<b>94,07,709</b>	<b>81,69,138</b>
<b>Expenses</b>			
Cost of materials consumed	28	18,458	22,231
Change in inventories of finished goods	29	(88,437)	6,19,647
Employee benefits expense	30	3,97,585	3,21,319
Finance costs	31	38,703	29,172
Depreciation and amortization expense	32	56,901	46,864
Power and fuel	33	54,483	59,656
Excavation & transport charges	34	17,13,825	27,37,476
Other expenses	35	19,17,063	15,21,982
<b>Total Expenditure</b>		<b>41,08,581</b>	<b>53,58,347</b>
<b>Profit before exceptional items and tax</b>		<b>52,99,128</b>	<b>28,10,791</b>
Add: Exceptional items (Net)		-	-
<b>Profit before tax</b>		<b>52,99,128</b>	<b>28,10,791</b>
Share of loss of joint venture		(15,011)	(2,199)
Less: Tax expense/(benefit)			
Current tax		19,88,986	10,90,085
Deferred tax		(21,588)	(12,990)
<b>Total tax expense/(benefit)</b>		<b>19,67,398</b>	<b>10,77,095</b>
<b>Profit from continuing operations</b>		<b>33,16,720</b>	<b>17,31,497</b>
Profit from discontinuing operations		-	-
Less: Tax expense of discontinuing operations		-	-
<b>Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year (A)</b>		<b>33,16,720</b>	<b>17,31,497</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		1,371	(5,417)
Items that will not be reclassified to profit or loss of JV		119	73
Income tax on above items		(25)	4,914
Items that will be reclassified to profit or loss		-	-
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>1,465</b>	<b>(480)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>33,18,185</b>	<b>17,31,017</b>
<b>Earnings per equity share (in Rs) -</b> <b>[Nominal value of share Rs.1000/-]</b>			
- Before exceptional item	42	52,594.58	27,484.32
- After exceptional item		52,594.58	27,484.32
<b>Notes to financial statements</b>	<b>1-57</b>		

The accompanying notes are an integral part of these consolidated financial statements

As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*[Signature]*  
Dandeti Raja Sagar  
Partner  
Mem No 227878



Place: Vijayawada  
Date: November 16, 2022

For and on behalf of the Board of Directors

*[Signature]* V.G.Venkata Reddy  
V.C. & MD  
DIN: 08815525

*[Signature]* D.Ramadevi  
Director  
DIN: 088176094

*[Signature]* A.Nageswara Reddy  
General Manager - F&A



Place: Vijayawada  
Date: October 21, 2022

UDIN: 22227878 BDI0203734

## Statement of Changes in equity for the year ended March 31, 2019

Balance Sheet as at March 31, 2019

## A. Equity share capital

(Rs. in '000's)

Particulars	No of Shares	Amount
Balance as at 1 <sup>st</sup> April, 2017	63,062	63,062
Changes in equity share capital during 2017-18	-	-
Balance as at 1 <sup>st</sup> April, 2018	63,062	63,062
Changes in equity share capital during 2018-19	-	-
Balance as at March 31, 2019	63,062	63,062

## B. Other Equity

(Rs. in '000's)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserves [General reserve]	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actuarial Gains/losses reserve	Deferred tax on OCI items	
Balance as at March 31, 2017	22,000	18,690	17,24,670	1,18,02,664	(5,657)	3,251	(5,076)	1,35,58,587
Provision for diminution in value of investments	(11,000)	-	-	-	-	-	-	(11,000)
Elimination of loss of joint venture	-	-	-	9,226	-	-	-	9,226
Profit for the year	-	-	-	17,31,497	-	-	-	17,31,497
Other comprehensive income for the year	-	-	-	-	-	(5,394)	4,913	(480)
Total comprehensive income for the year	-	-	-	17,31,497	-	(5,394)	4,913	17,31,017
Transfer to reserve for bad and doubtful debts	-	62,870	-	(62,870)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	(7,967)	-	5,394	2,568	-
Balance as at March 31, 2018	11,000	61,560	17,24,670	1,34,72,759	(5,657)	3,251	2,405	1,52,89,987
Profit for the year	-	-	-	33,16,720	-	-	-	33,16,720
Other comprehensive income for the year	-	-	-	-	-	1,490	(25)	1,465
Total comprehensive income for the year	-	-	-	33,16,720	-	1,490	(25)	33,18,185
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	11,000	61,108	17,24,670	1,67,89,930	(5,657)	4,741	2,380	1,86,08,171

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*P.T. Sagar*  
Dondeti Teja Sagar  
Partner  
Mem No. 227878



*V.G. Vankata Reddy*  
V.G. Vankata Reddy  
VC & MD  
DIN: 0805525

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A

*D. Ramadevi*  
D. Ramadevi  
Director  
DIN: 08076094



Place: Visakhapatnam  
Date: November 15, 2021

Place: Visayawada  
Date: October 21, 2022

UDIN: 22227878BOIO203734



Balance Sheet as at March 31, 2019		
Consolidated Cash flow statement for the year ended March 31, 2019		
All amounts are in thousands, unless otherwise stated		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	52,84,117	28,08,592
Adjustments for		
Interest expense	34,477	25,663
Unwinding of discounting on provisions	3,772	3,509
Interest income	(7,55,911)	(5,47,641)
Depreciation/amortization on continuing operations	56,901	46,864
Provision bad & doubtful debts	20,542	16,260
Provision bad & doubtful advances	30,838	3,424
Remeasurement of defined benefit plans	1,371	(5,417)
Provision no longer require written back	(4,638)	(2)
Operating profit before working capital changes	46,67,469	23,51,252
Adjustments for working capital:		
Increase/(decrease) in trade payables	(55,994)	(18,500)
Increase/(decrease) in provisions	(6,109)	2,69,814
Increase/(decrease) in other financial liabilities	6,18,258	52,737
Increase/(decrease) in other liabilities	(863)	6,366
Decrease/(increase) in trade receivables	(14,566)	(11,35,479)
Decrease/(increase) in inventories	(83,606)	6,15,112
Decrease/(increase) in other assets	(5,33,410)	3,06,800
Decrease/(increase) in other financial assets	(4,51,594)	(98,642)
Cash generated from operations	41,41,491	23,71,460
Direct taxes paid (net of refunds)	14,95,417	11,24,509
Net cash flow from/(used in) operating activities (A)	26,46,074	12,46,951
Cash flow from investing activities		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, C&IP and Capital advances	(79,13,104)	(1,30,473)
Movements in other bank balance	15,74,370	(21,21,553)
Loans repaid / Given to related parties	(24,00,000)	4,00,000
Loans repaid / Given to staff	(4,869)	(1,716)
Interest received	7,59,911	5,47,641
Net cash flow from/(used in) investing activities (B)	(25,83,692)	(13,06,101)
Cash flow from financing activities		
Interest paid	(34,477)	(25,663)
Net cash flow from/(used in) financing activities (C)	(34,477)	(25,663)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	27,904	(84,814)
Cash and cash equivalents at the beginning of the year	1,49,694	2,34,508
Cash and cash equivalents at the end of the year	1,77,598	1,49,694
Components of cash and cash equivalents		
Cash on hand	104	135
With banks accounts	1,77,494	1,49,559
Total cash and cash equivalents (Note 12)	1,77,598	1,49,694

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as setout in Ind As -7

As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
*P. T. Sagar*  
Dandeti Teja Sagar  
Partner  
Mem No 227878



Place: Vijayawada

Date: November 15, 2022

UDIN: 22227878 BOI0203734

For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
PIN: 08875525

*O. Ramadevi*  
O. Ramadevi  
Director  
PIN: 08076094

*A. Nagaraj Reddy*  
General Manager - F&A

Place: Vijayawada  
Date: October 21, 2022





## Notes to the Consolidated Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant Accounting Policies

#### a. Statement of Compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The Consolidated Financial Statements ("CF5") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**c. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

In the process of applying the Group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.



### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements
  - i. represent faithfully the financial position, financial performance and cash flows of the Group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias,
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc

### **e. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest income**

Interest income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except for certain assets where the useful life is determined by technical assessment/ Group's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account





At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 5,00,000 MTs from financial year 2013-14 onwards and the remaining stock is considered without value. Due to rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value.

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months.



after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.



Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Group has only business segment (industry practice) i.e., extraction and processing of mineral which is the reportable segment.





**r. Leases**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Leases where the risks and rewards of ownership substantially vest with the lessor are classified as operating lease. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.



#### **w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial Instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.



**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.



### iii. De-recognition of financial liabilities

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

### y. Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

### z. Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### aa. Exploration and Evaluation

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods, and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

### ab. Stripping cost

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.





**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.





Note -3

	Gross block				Depreciation			Net block		
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/ Transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Free hold land	2,27,947	50,979	-	2,78,926	-	-	-	-	2,78,926	2,27,947
Buildings	41,162	2,385	-	43,547	11,235	4,949	-	16,184	27,363	29,927
Plant and machinery	1,42,025	34,988	-	1,78,013	47,038	19,827	-	66,865	1,11,148	95,957
Furniture & fixtures	12,436	4,744	-	17,180	2,617	3,661	-	6,278	10,903	9,819
Vehicles	9,141	5	-	9,146	6,054	1,026	-	7,080	2,066	3,077
Office equipment	14,663	1,534	-	21,197	7,424	5,412	-	12,836	8,361	12,239
Mining and equipment	56,071	2,726	-	68,797	32,706	7,613	-	40,319	28,478	33,365
Data processing equipment	13,940	1,085	-	15,025	10,941	2,135	-	13,076	1,959	2,999
Tent & huts	2,934	-	-	2,934	2,241	400	-	2,649	285	685
Lease hold improvements	25,094	2,815	3,230	29,679	5,175	11,439	3,230	13,364	11,294	19,319
Mining property	1,976	-	-	1,976	191	79	-	270	1,706	1,785
Total	5,63,389	1,01,271	3,230	6,61,430	1,25,640	56,541	3,230	1,78,951	4,82,479	4,37,749
Previous year - 2017-18	4,75,414	89,757	1,781	5,63,389	81,165	46,256	1,781	1,25,640	4,37,749	3,94,248
Intangible Assets										
Particulars	Cost as at April 1, 2018	Additions	Disposals/ adjustments/ Transfer	Cost as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2019	Net carrying amount as at March 31, 2019	Net carrying amount as at March 31, 2018
Computer software	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Total	3,181	172	-	3,353	1,421	744	-	2,165	1,188	1,760
Previous year - 2017-18	954	2,227	-	3,181	760	661	-	1,421	1,760	194
Intangible assets under development										
Exploration intangible assets under development	29,72,752	28,24,868	-	57,97,120	-	-	-	-	57,97,120	29,72,252
Previous year - 2017-18	29,52,569	35,720	16,037	29,72,252	-	-	-	-	29,72,252	29,36,532
Capital work in progress										
Capital work in progress	12,822	-	12,822	-	-	-	-	-	-	12,822
Previous year - 2017-18	8,392	12,822	8,392	12,822	-	-	-	-	12,822	8,392



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2019  
All amounts are in thousands, unless otherwise stated

4	Non-current investments	As at March 31, 2019	As at March 31, 2018
	<b>Unquoted equity instruments - Investments measured at cost</b>		
	<b>Investment in subsidiary companies</b>		
	i. M/s GPMCC - SCCL sa yam coal company limited		
	5,100 equity shares (March 31, 2018: 5,100) of Rs 10/- each		
	fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s Kugapet coal company limited		
	1,000 equity shares (March 31, 2018: 1,000) of Rs 100/- each		
	fully paid up	557	557
		(557)	(557)
	iii. M/s Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2018: 56,100) of Rs 10/- each		
	fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited		
	1,110 equity shares (March 31, 2018: 1,110) of Rs 1000/- each		
	fully paid up	1110	1110
	Less: Provision made for diminution in the value of shares	(1110)	(1110)
	<b>Investment in Associates</b>		
	v. M/s. Aswari mineral development private limited:		
	65,000 equity shares (March 31, 2018: 65,000) of Rs. 10/- each		
	fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s SRAP mineral private limited:		
	3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 10/- each		
	fully paid up	3250	3250
	Less: Provision made for diminution in the value of shares	(3250)	(3250)
	vii. M/s Arham minerals exports private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	1300	1300
	Less: Provision made for diminution in the value of shares	(1300)	(1300)
	viii. M/s Istra minerals exports private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	1300	1300
	Less: Provision made for diminution in the value of shares	(1300)	(1300)
	ix. M/s. Mangalore granites private limited:		
	1,30,000 equity shares (March 31, 2018: 1,30,000) of Rs. 10/- each		
	fully paid up	1300	1300
	Less: Provision made for diminution in the value of shares	(1300)	(1300)
	x. M/s. Ongole minerals exports private limited:		
	3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 10/- each		
	fully paid up	3250	3250
	Less: Provision made for diminution in the value of shares	(3250)	(3250)
	xi. M/s. RLP granites private limited:		
	3,25,000 equity shares (March 31, 2018: 3,25,000) of Rs. 10/- each		
	fully paid up	3250	3250
	Less: Provision made for diminution in the value of shares	(3250)	(3250)
	xii. M/s A.F coastal sands & metals private limited:		
	13,000 equity shares (March 31, 2018: 13,000) of Rs. 10/- each		
	fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s Andhra Pradesh oil mining private limited:		
	286 equity shares (March 31, 2018: 286) of Rs. 100/- each		
	fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)



<b>Investment in Joint Ventures</b>		
vi. M/s A.P. granites (indwes) private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs.10/- each fully paid up	5,341	20,211
vii. M/s.Alliance A.P.black galaxy granites private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
viii. M/s.Rallava red granites private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
xiii. M/s.Gimpex AP barytes benfloat on private limited 1,320 equity shares(March 31, 2018: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xiv. M/s. Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2018: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xv. M/s. Andhra Pradesh lion ore company limited 6,850 equity shares(March 31, 2018: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
vi. M/s. Inmes baryte private limited 4,50,000 equity shares(March 31, 2018: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xxi. M/s.V.V. minerals private limited 1,100 equity shares(March 31, 2018: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	7,118	7,118
Less: Provision made for doubtful investment	(7,092)	(7,092)
	<b>5,368</b>	<b>20,260</b>
<b>Aggregate amount of quoted investments - Market value</b>		
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	5,368	11,027
Aggregate provision for diminution in value of investments	40,497	40,497
Aggregate Provision made for doubtful investment	7,404	7,404
<b>S</b>		
<b>Loans (Non-current)</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Security deposits</b>		
Unsecured, considered doubtful	9,292	9,292
Less: Provision for doubtful debts	(9,292)	(9,292)
Loans to corporate		
Unsecured, considered good	8,00,000	5,00,000
Loan to AP state Bhemet Limited & Machilipatnam Urban Development Authority. Refer Note: 48 & 49		
<b>Others</b>		
<b>Loans and Advances to Employees</b>		
Unsecured, considered good	9,201	5,230
Unsecured, considered doubtful	256	68
Less: Allowance for bad and doubtful debts	(256)	(68)
<b>Total</b>	<b>8,09,201</b>	<b>6,05,230</b>



6	Other Financial Assets (Non-Current)	As at March 31, 2019	As at March 31, 2018
	Unsecured, considered good - Refer note: 47		
	Balance in current accounts	10,010	6,779
	Long term bank deposits	75,39,809	71,03,707
	Sweep accounts	73,566	70,715
	Advance Receivable in cash	9,802	7,250
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>76,20,188</b>	<b>71,88,451</b>
7	Deferred tax asset (Net)	As at March 31, 2019	As at March 31, 2018
	Deferred tax asset		
	Property, plant & equipment	16,921	11,123
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	4,860	8,421
	Provision for decommissioning costs	13,893	17,405
	Provision for bad & doubtful debts, investments & advances	70,785	52,921
	<b>Total Deferred tax asset</b>	<b>1,11,459</b>	<b>89,870</b>
	Deferred tax liability		
	Investment	(2,563)	(2,538)
	<b>Total deferred tax liability</b>	<b>(2,563)</b>	<b>(2,538)</b>
	<b>Net Deferred tax asset</b>	<b>1,08,896</b>	<b>87,332</b>
8	Non current tax assets (Net)	As at March 31, 2019	As at March 31, 2018
	Income Tax		
	Corporate tax receivable	6,57,629	7,60,498
	<b>Total</b>	<b>6,57,629</b>	<b>7,60,498</b>
9	Other non-current assets	As at March 31, 2019	As at March 31, 2018
	A) Capital advances		
	Unsecured, considered good	2,39,387	2,79,167
	Unsecured, considered doubtful	27,023	26,023
	Provision for doubtful advances	(27,023)	(26,023)
		<b>2,39,387</b>	<b>2,79,167</b>
	B) Advances other than capital advances		
	Unsecured, considered good	11,87,678	10,07,021
	Unsecured, considered doubtful	28,013	24,872
	Less: Provision for doubtful advances	(28,013)	(24,872)
		<b>11,87,678</b>	<b>10,07,021</b>
	C) Others - Specified		
	Unsecured, considered good	3,80,256	5,59,908
	Unsecured, considered doubtful	56,398	10,164
	Less: Provision for doubtful advances	(56,398)	(10,164)
	Prepaid expenses	4,018	-
		<b>8,64,176</b>	<b>5,59,908</b>
	<b>Total</b>	<b>23,11,338</b>	<b>18,06,317</b>
10	Inventories	As at March 31, 2019	As at March 31, 2018
	Finished Goods	9,14,479	8,25,992
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	6,918	13,748
	<b>Total</b>	<b>9,20,547</b>	<b>8,36,941</b>





11	Trade receivables (Current)	As at March 31, 2019	As at March 31, 2018
	Unsecured, considered good	14,15,504	14,23,386
	Unsecured, considered doubtful	57,659	58,564
	Less: Allowance for doubtful debts	(57,659)	(58,564)
	<b>Total</b>	<b>14,15,504</b>	<b>14,23,386</b>
12	Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
	Cash and cash equivalents		
	Balances with banks:		
	in current accounts	1,77,494	1,49,550
	Cash on hand	104	135
	(A)	1,77,598	1,49,684
	Other bank balances		
	In sweep accounts	4,40,332	14,14,702
	Fixed deposits with maturity > 1 months but < 12 months		10,00,000
	(B)	4,40,332	24,14,702
	<b>Total</b>	<b>6,17,930</b>	<b>25,64,386</b>
13	Loans (current)	As at March 31, 2019	As at March 31, 2018
	Loans to corporate		
	Unsecured, considered good		
	Loan to AP state Fiber Optic Limited & Machilipatnam Urban Development Authority Refer Note 48 & 49	22,00,000	
	Others		
	Loans and Advances to Employees		
	Unsecured, considered good	1,622	724
	<b>Total</b>	<b>22,01,622</b>	<b>724</b>
14	Other financial assets (Current)	As at March 31, 2019	As at March 31, 2018
	Deposits with others		
	Unsecured, considered good	50	37
	Advances receivable in cash		
	Unsecured, considered good	2,47,880	1,52,459
	Unsecured, considered doubtful	4,592	4,595
	Less: Provision made	(4,592)	(4,595)
	<b>Total</b>	<b>2,47,930</b>	<b>2,52,496</b>
15	Other current assets	As at March 31, 2019	As at March 31, 2018
	A) Advances recoverable		
	Unsecured, considered good	59,095	63,844
	Doubtful		
	Less: Provision for doubtful items		
		59,095	63,844
	B) Others - Specified		
	Balance with statutory authorities		
	Unsecured, considered good	3,01,172	7,85,498
	Prepaid expenses	42,903	40,817
	Others	14,595	621
	<b>Total</b>	<b>3,59,670</b>	<b>8,26,959</b>
	<b>Total</b>	<b>4,18,766</b>	<b>3,90,780</b>





16	Equity Share Capital	As at March 31, 2019	As at March 31, 2018
<b>Authorised share capital:</b> 1,00,000 equity shares of Rs. 1000/- each (Previous year: 1,00,000 equity shares of Rs. 1000/- each)		1,00,000	1,00,000
		1,00,000	1,00,000
<b>Issued, subscribed and fully paid up share Capital:</b> 63,062 equity shares of Rs. 1000/- each fully paid up (Previous year : 63,062 equity shares of Rs.1000/- each)		63,062	63,062
		63,062	63,062
<b>16.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2019	As at March 31, 2018
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2</b> The company has one class of equity shares having a par value of Rs. 1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3</b> The details of shares in the Company held by each shareholder holding more than 5% shares			
	Name of the share holder	As at March 31, 2019	As at March 31, 2018
	Governor of the Andhra Pradesh- represented by Assistant Secretary to Government (mines) Industries & Commerce department	63,062 (100%)	63,062 (100%)
17	Other equity	As at March 31, 2019	As at March 31, 2018
<b>Capital Reserves</b>			
Free ride equity shares for consideration other than cash allotted by			
i. M/s. Apwani mineral development private limited. 65,000 equity shares(March 31, 2018: 65,000) of Rs. 10/- each fully paid up		650	650
Less: Provision made for diminution in the value of shares		(650)	(650)
ii. M/s.SRAP mineral private limited 3,25,000 equity shares(March 31, 2018: 3,25,000) of Rs. 10/- each fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)
iii. Arham minerals exports private limited 1,30,000 equity shares(March 31, 2018: 1,30,000) of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
iv. Isra minerals exports private limited 1,30,000 equity shares(March 31, 2018: 1,30,000) of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
v. Margasree granites private limited 1,30,000 equity shares(March 31, 2018: 1,30,000) of Rs. 10/- each fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
vi. Ungole minerals exports private limited 3,25,000 equity shares(March 31, 2018: 3,25,000) of Rs. 10/- each fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)



vi. RLP granites private limited 3,25,000 equity shares(March 31, 2018: 3,25,000) of Rs. 10/- each fully paid up	3,250 (3,250)	3,250 (3,250)
Less: Provision made for diminution in the value of shares		
vii. M/s A.P. granites (megwest) private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
Less: Provision made for diminution in the value of shares		
ix. M/s Advance A.P. back galaxy granites private limited 11,00,000 equity shares(March 31, 2018: 11,00,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
Less: Provision made for diminution in the value of shares		
x. M/s Palladium granites private limited 1,10,000 equity shares(March 31, 2018: 1,10,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
Less: Provision made for diminution in the value of shares		
xi. M/s A.P. coastal sands & metals private limited 13,000 equity shares(March 31, 2018: 13,000) of Rs. 10/- each fully paid up	130 (130)	130 (130)
Less: Provision made for diminution in the value of shares		
xii. M/s Naga venture mining company private limited 56,100 equity shares(March 31, 2018: 56,100) of Rs. 10/- each fully paid up	561 (561)	561 (561)
Less: Provision made for diminution in the value of shares		
xiii. M/s Gumpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2018: 1,320) of Rs. 10/- each fully paid up	13 (13)	13 (13)
Less: Provision made for diminution in the value of shares		
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2018: 8,52,500) of Rs. 10/- each fully paid up	8,525 (8,525)	8,525 (8,525)
Less: Provision made for diminution in the value of shares		
xv. M/s Andhra Pradesh iron ore company limited 6,800 equity shares(March 31, 2018: 6,800) of Rs. 10/- each fully paid up	68 (68)	68 (68)
Less: Provision made for diminution in the value of shares		
xvi. M/s. L. mer hant private limited 4,50,000 equity shares(March 31, 2018: 4,50,000) of Rs. 10/- each fully paid up	4,500 (4,500)	4,500 (4,500)
Less: Provision made for diminution in the value of shares		
xvii. M/s. V.V. minerals private limited 1,100 equity shares(March 31, 2018: 1,100) of Rs. 10/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
<b>Equity instruments through OCI</b>		
Opening Balance		(7,452)
Other comprehensive income for the year	1,465	(480)
Add/(Less): Transferred from/(to) retained earnings	-	1,465
Closing balance	1,465	-
<b>Reserve for bad and doubtful debts</b>		
Balance as per the last financial statements	81,560	18,585
Add/(Less): Transferred from to profit and loss account	(452)	16,871
Closing balance	81,108	81,560
<b>General Reserve</b>		
Balance as per the last financial statements	17,24,670	17,24,670
Closing balance	17,24,670	17,24,670



Surplus/(Deficit) in the statement of profit and loss		
Balance as per the last financial statements	1,34,72,757	1,18,02,868
Less: Elimination of joint venture loss		9,226
Profit for the year	31,16,120	17,32,487
	<b>1,67,89,476</b>	<b>1,35,43,591</b>
Less: Appropriations		
Transferred from/to other comprehensive income		7,162
Reserve for bad and doubtful Debts	(852)	62,871
Total appropriations	(852)	70,833
Net surplus in statement of profit and loss	<b>1,67,89,928</b>	<b>1,34,72,757</b>
Total reserves and surplus taken to balance sheet	<b>1,86,08,171</b>	<b>1,52,89,987</b>

18	Other financial liabilities (Non-Current)	As at March 31, 2019	As at March 31, 2018
	Expenses payable against infrastructure development	64,172	70,320
	Deposits	17,280	17,280
	Others - refer note 47	17,00,218	24,79,195
	<b>Total</b>	<b>27,81,670</b>	<b>25,66,795</b>

19	Provisions (Non-current)	As at March 31, 2019	As at March 31, 2018
	Provision for Others:		
	Provision for decommissioning cost	54,065	50,293
	<b>Total</b>	<b>54,065</b>	<b>50,293</b>

20	Other Non-current liabilities	As at March 31, 2019	As at March 31, 2018
	Others		
	Statutory liabilities	79,733	79,232
	<b>Total</b>	<b>79,733</b>	<b>79,232</b>

21	Trade payables (Current)	As at March 31, 2019	As at March 31, 2018
	Trade payables		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	1,84,687	2,40,681
	<b>Total</b>	<b>1,84,687</b>	<b>2,40,681</b>

Micro and small enterprises under the micro and small enterprises development Act, 2006 have been determined based on the information available with the company and the required disclosures are given below.

Particulars	As at March 31, 2019	As at March 31, 2018
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.



22	Other financial liabilities (Current)	As at March 31, 2019	As at March 31, 2018
	Salaries & other benefits payable	21,163	23,788
	Security deposits from customers	3,06,724	2,62,272
	Other payables	4,41,083	3,02,987
	<b>Total</b>	<b>7,68,971</b>	<b>5,90,047</b>
23	Other current liabilities	As at March 31, 2019	As at March 31, 2018
	Advance from customers	3,64,327	3,39,878
	Statutory liabilities	18,772	20,130
	<b>Total</b>	<b>3,83,099</b>	<b>1,60,014</b>
24	Provisions (Current)	As at March 31, 2019	As at March 31, 2018
	Provision for employee benefits:		
	Provision for gratuity	-	8,140
	Provision for leave benefits	-	2,605
	<b>Total</b>		<b>10,746</b>
25	Current tax liabilities	As at March 31, 2019	As at March 31, 2018
	Provision for income tax	7,31,246	3,10,547
	<b>Total</b>	<b>7,31,246</b>	<b>3,10,547</b>



The Andhra Pradesh Mineral Development Corporation Limited

Notes to Consolidated financial statements for the year ended March 31, 2019

All amounts are in thousands, unless otherwise stated

26	Revenue from operations	For the year ended March 31, 2019	For the year ended March 31, 2018
	Sale of products	85,76,488	74,57,841
	Sale of services	45,032	1,58,122
	Total	86,21,521	76,16,063
27	Other income	For the year ended March 31, 2019	For the year ended March 31, 2018
	Interest income		
	Bank deposits	6,25,728	4,61,466
	Loans	287	252
	Others	1,33,896	85,924
	Rent receipts	721	709
	Forfeiture of security deposit	18,000	2,488
	Sale of tender documents	2,252	996
	Liabilities no longer required writtenback	4,638	2
	Other miscellaneous income	606	1,238
	Total	7,86,188	5,53,075
28	Cost of materials consumed	For the year ended March 31, 2019	For the year ended March 31, 2018
	Packing material	18,458	22,231
	Total	18,458	22,231
29	Changes in inventories of finished goods	For the year ended March 31, 2019	For the year ended March 31, 2018
	a) Opening stock of finished goods	8,25,992	14,45,639
		8,25,992	14,45,639
	b) Closing stock of finished Goods	9,14,429	8,25,992
		9,14,429	8,25,992
	Changes in inventories of finished goods	(88,437)	6,19,647





30	<b>Employee benefit expenses</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Salaries and wages	3,20,655	1,89,561
	Contribution to PF and other funds	51,950	1,09,155
	Staff welfare expenses	24,980	22,603
	<b>Total</b>	<b>3,97,585</b>	<b>3,21,319</b>
31	<b>Finance costs</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Unwinding of discount of provision	4,226	3,509
	Interest - Others	34,477	25,663
	<b>Total</b>	<b>38,703</b>	<b>29,172</b>
32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Depreciation of Plant, Property and Equipment	56,157	46,704
	Amortization of intangible assets	744	661
	<b>Total</b>	<b>56,901</b>	<b>46,864</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Power and fuel	54,483	59,656
	<b>Total</b>	<b>54,483</b>	<b>59,656</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Excavation & transport charges for run of mine	3,87,845	2,13,813
	Excavation & transport charges for overburden	13,15,930	25,23,663
	<b>Total</b>	<b>17,13,825</b>	<b>27,37,476</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
	Rents	12,264	13,905
	Repairs & maintenance	15,891	8,673
	Insurance	943	1,047
	<b>Rates and taxes</b>		
	Royalty	7,16,362	6,12,750
	DMF	2,14,909	1,83,825
	NAMET	14,327	12,255
	Cess	46,576	39,830
	Other Rates and Taxes	1,31,869	16,875
	<b>Other expenses</b>		
	Operating expenses	30,091	37,796
	Selling expenses	28,574	26,011
	Milling charges	37,275	39,918
	Transport and Weagon loading charges	91,674	26,615
	Prospecting & mining lease expenses	1,534	20,710
	Office & general expenses	67,763	67,978
	Payment to statutory auditors [refer note no 35.1]	750	500
	Audit fee for other auditors	400	436
	Printing & stationery	3,730	2,475
	Corporate social responsibility expenses	75,620	1,37,747
	Remuneration to out sourced services	2,61,117	2,46,904
	Provision for doubtful debts	20,542	16,260
	Provision for doubtful advances	30,838	1,424
	Data processing charges	1,542	2,477
	Rehabilitation expenses	9,636	4,032
	Donations	1,00,000	
	Miscellaneous expenditure	2,386	
	<b>Total</b>	<b>19,17,063</b>	<b>15,21,982</b>



35.1	Payment to Auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
	Statutory audit fee	750	500
	<b>Total</b>	<b>750</b>	<b>500</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:		
	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Profit and Loss section</b>		
	<b>Current tax:</b>		
	Current income tax charge	19,88,986	10,90,085
	<b>Total (a)</b>	<b>19,88,986</b>	<b>10,90,085</b>
	<b>Deferred tax:</b>		
	In respect of current year origination and reversal of temporary differences	(21,588)	(12,990)
	<b>Total (b)</b>	<b>(21,588)</b>	<b>(12,990)</b>
	<b>Total</b>	<b>19,67,398</b>	<b>10,77,095</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2019	For the year ended March 31, 2018
	Remeasurement of Defined Benefit Plan Loss/Gain		
	Gratuity	(350)	(6,864)
	Leave encashment	1,721	1,447
	Deferred tax on above items	(25)	4,914
	<b>Total</b>	<b>1,346</b>	<b>(503)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>Profit/(loss) before tax as per statement of profit and loss</b>	<b>52,99,128</b>	<b>28,10,791</b>
	Applicable tax rate as enacted by the relevant finance Act	34.944 %	34.608 %
	Computed Tax Expense	18,51,727	9,72,759
	<b>Tax effect of :</b>		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(21,588)	(12,990)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR Expenditure	26,425	47,498
	b) Change in Depreciation	6,180	4,105
	c) Provision for doubtful items	17,954	6,812
	d) Other items	86,700	58,911
	<b>Total income tax expense for the year</b>	<b>19,67,398</b>	<b>10,77,095</b>



**37. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2019	As at 31.03.2018
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,34,315
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes 8yers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/ from the years 2010-11 to 2012-13 and Rs 1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O 237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18. dt 13/1/2016 There is no communication received from the Government</p>		
	i) Aggregate till end of the previous year	43,73,675	36,97,005
	ii) For the year(net off payment)	7,62,935	6,76,670
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2016-17, the total demand raised, deposits made and reaming un paid amount. {Details given below}	57,583	57,583
<b>B</b>	Contingent liability on BG's:	63,00,000	63,00,000
	Bank Guarantees furnished to different Departments on behalf of the company.		





<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	15,128
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998 1999 to 2017-2018, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total – A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		-	(31,104)	-
<b>Share of APMDC</b>		-	<b>46,860</b>	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total – B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)





### 38. Classification of financial instrument

A. Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2019

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
Non-current investments	4	-	-	5,368	-	5,368
Advance recoverable	6	-	5,802	-	-	5,802
Loans	5 & 13	-	-	30,10,824	-	30,10,824
Trade receivables	11	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	12	-	-	1,77,598	-	1,77,598
Bank balances other than above	12	-	-	4,40,332	-	4,40,332
Balances with Banks and post office	6	-	-	83,576	-	83,576
Deposits	14	-	-	50	-	50
Fixed deposits	6	-	-	75,39,809	-	75,39,809
Interest receivable	14	-	-	2,47,880	-	2,47,880
<b>Total</b>		-	<b>5,802</b>	<b>1,29,20,941</b>	-	<b>1,29,26,743</b>
Trade payables	21	-	-	-	1,84,687	1,84,687
Relating to Employees	22	-	-	-	21,163	21,163
Expenses payable against Infrastructure Development	18	-	-	-	64,172	64,172
Others	18 & 22	-	-	-	31,41,301	31,41,301
Deposits	18 & 22	-	-	-	3,24,005	3,24,005
<b>Total</b>		-	-	-	<b>37,35,328</b>	<b>37,35,328</b>



As at 31st March, 2018

Particulars	Note	Carrying amount				Total
		Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
Non-current investments	4	-	-	20,260	-	20,260
Loans	5 & 13	-	-	6,05,954	-	6,05,954
Trade receivables	11	-	-	14,23,386	-	14,23,386
Cash and Cash equivalents	12	-	-	1,49,694	-	1,49,694
Bank balances other than above	12	-	-	24,14,702	-	24,14,702
Balances with Banks and post office	6	-	-	77,494	-	77,494
Deposits	14	-	-	37	-	37
Advance recoverable	6	-	-	7,250	-	7,250
Fixed Deposits	6	-	-	71,03,707	-	71,03,707
Interest receivable	14	-	-	2,52,459	-	2,52,459
<b>Total</b>		-	-	<b>1,20,54,943</b>	-	<b>1,20,54,943</b>
Borrowings		-	-	-	-	-
Trade payables	21	-	-	-	2,40,681	2,40,681
Relating to Employees	22	-	-	-	23,788	23,788
Expenses payable against Infrastructure Development	18	-	-	-	70,320	70,320
Others	18 & 22	-	-	-	27,82,172	27,82,172
Deposits	18 & 22	-	-	-	2,80,553	2,80,553
<b>Total</b>		-	-	-	<b>33,97,514</b>	<b>33,97,514</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.



Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	57,659	58,564
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	57,659	58,564
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2018-19	2017-18
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	14,15,504	14,23,386
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,15,504	14,23,386

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Baryes	4,31,076	(4,31,076)	3,80,803	(3,80,803)

###### b. Packing material price risk

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(993)	993	(1,112)	1,112





**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2018-19		2017-18	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for run of mine	(19,395)	19,395	(10,691)	10,691
Excavation & Transport Charges for Overburden	(66,296)	66,296	(1,26,183)	1,26,183

**40. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2019**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	1,84,687	1,84,687	-	-
Other financial liabilities	35,50,642	7,68,971	27,81,670	-
<b>Total</b>	<b>37,35,329</b>	<b>9,53,658</b>	<b>27,81,670</b>	<b>-</b>

**As at 31st March 2018**

Particulars	Contractual cash flows			
	Carrying value	Less than 1 year	1-2 years	More than 2 years
Trade payables	2,40,681	2,40,681	-	-
Other financial liabilities	31,56,832	5,90,047	25,66,785	-
<b>Total</b>	<b>31,56,832</b>	<b>8,30,728</b>	<b>25,66,785</b>	<b>-</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2019	As at 31-03-2018
Employers contribution to provident fund	8,838	8,462
Employers contribution to pension fund	5,577	5,328



## B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2018

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	57,113	47,111	51,160	45,475
Service cost	2,405	2,253	1,982	4,006
Interest expenses	4,318	3,657	3,863	3,619
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(899)	(2,775)	(916)	(454)
Remeasurements - actuarial (gains)/losses	766	6,865	(1,206)	(1,486)
<b>Benefit obligations at the end</b>	<b>63,703</b>	<b>57,113</b>	<b>54,884</b>	<b>51,160</b>

Particulars	Gratuity		Leave encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	48,973	37,394	48,555	31,169
Interest income	4,182	3,353	4,272	(3,072)
Employer contributions	12,706	11,808	15,923	14,924
Benefits payments from plan assets	(1,770)	(3,584)	(1,197)	(573)
Actuarial gain / (loss) on plan assets	416	1	515	(39)
<b>Benefit obligations at the end</b>	<b>64,507</b>	<b>48,973</b>	<b>68,073</b>	<b>48,555</b>

ii. Amount recognized in the Balance sheet as at

Particulars	Gratuity		Leave encashment	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
PV of obligations at the end of the year	63,703	57,113	54,884	51,160
Fair value of plan assets at the end of the year	64,507	48,973	68,073	48,555





Liability (+)/Asset (-) recognised in the balance sheet	(803)	8,140	(13,189)	2,606
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**III. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Service cost	2,405	2,253	1,982	4,006
Interest expenses	136	305	(408)	547
<b>Net expense recognised</b>	<b>2,541</b>	<b>2,558</b>	<b>1,574</b>	<b>4,553</b>

**IV. Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial (gain)/losses on obligations for the period	766	6,865	(1,206)	(1,487)
Actuarial (gain)/losses on plan assets for the period	(416)	(1)	(515)	(39)
<b>Net expense recognised</b>	<b>350</b>	<b>6,864</b>	<b>(1,721)</b>	<b>(1,448)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Rate of discounting	7.67%	7.62%	7.67%	7.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

**v. Summary of Demographic Assumptions**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.15	11.69	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%



**vi. Maturity Profile of Defined Benefit Obligations:**

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Expected Cash flow in year 1	30,539	25,041	26,299	22,279
Expected Cash flow in year 2	3,074	3,368	6,373	7,114
Expected Cash flow in year 3	6,190	3,649	7,166	5,901
Expected Cash flow in year 4	5,732	5,642	5,630	5,855
Expected Cash flow in year 5	6,570	5,240	5,436	4,713
Expected Cash flow in year 6	3,207	6,159	3,109	4,557
Expected Cash flow in year 7	3,895	2,942	2,972	2,535
Expected Cash flow in year 8	4,170	3,322	3,031	2,479
Expected Cash flow in year 9	1,362	3,764	1,341	2,417
Expected Cash flow in year 10	6,890	1,231	2,425	1,111

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. '000')		(% of change)	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Under Base Scenario	63,703	57,113	0.00%	0.00%
Salary Escalation - Up by 1%	66,358	59,727	4.20%	4.60%
Salary Escalation - Down by 1%	61,259	54,716	-3.90%	-4.20%
Withdrawal Rates - Up by 1%	64,133	57,550	0.70%	0.80%
Withdrawal Rates - Down by 1%	63,231	56,633	-0.80%	-0.80%
Discount Rates - Up by 1%	61,740	55,131	-3.10%	-3.50%
Discount Rates - Down by 1%	65,880	59,315	3.50%	3.90%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs. In. '000')		(% of change)	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
Under Base Scenario	54,884	51,160	0.00%	0.00%
Salary Escalation - Up by 1%	56,622	52,891	3.10%	3.40%
Salary Escalation - Down by 1%	53,231	49,520	-3.00%	-3.20%
Withdrawal Rates - Up by 1%	55,050	51,333	0.30%	0.30%
Withdrawal Rates - Down by 1%	54,707	50,977	-0.30%	-0.40%
Discount Rates - Up by 1%	53,682	49,934	-2.20%	-2.40%





Discount Rates - Down by 1%	56,176	52,481	2.30%	2.60%
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#### ix. Risk exposure

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.

#### x. Liability risks

##### a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 42. Earnings per share (EPS)

Particulars	As at 31-03-2019	As at 31-03-2018
Profit after tax before exceptional items	33,18,185	17,31,017
Add: exceptional items	-	-
Profit after tax after exceptional items	33,18,185	17,31,017
Profit available for Equity Shareholders	33,18,185	17,31,017
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	52,594.57	27,484.32
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	52,594.57	27,484.32

#### 43. Related Party Transactions

##### A. List of related parties

Name of the related party	(% of holding)	
	As at 31-03-2019	As at 31-03-2018
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliyan coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%



Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R S	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited Machilipatnam Urban Development Authority Rayalaseema Steel Corporation Limited	Fellow Government company / Authority

**B. Related party transactions**

**i. Amounts of revenue from the related parties**

Name of the related party	Consideration	Other income
Andhra Pradesh granite (Midwest) private limited	-	-
Pallava red granite private limited	6,216	-
Machilipatnam Urban Development Authority	-	19,726

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Andhra Pradesh granite (Midwest) private limited	1,25,028	1,25,028
Pallava red granite private limited	41,844	35,628
SRAP minerals private limited	4,503	4,503
Alliance Andhra Pradesh black granites private limited	-	1,721



**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

<b>Name of the related party</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	-

**iv. Balance during the year with related parties**

<b>Investment in subsidiaries</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Suliari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679

<b>Investment in joint ventures</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trlmex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallava red granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217

<b>Investment in associates</b>	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716





**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2019	As at 31-03-2018
Sri Ch.Venkaiah Chowdary, I.R.S	2,142	921

**vi. Loan to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
AP state fibernet limited	10,00,000	6,00,000
Machilipatnam urban development authority	20,00,000	-
Rayalaseema steel corporation limited	26,095	-

**vii. Advance to related parties**

Name of the related party	As at 31-03-2019	As at 31-03-2018
Rayalaseema steel corporation limited	26,095	-

**44. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

Subsidiaries	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor
Andhra phosphate private limited	The company lease rights was expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliya coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Associates	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records



	available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.

Joint ventures	
Name of the joint venture	Reason
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallava red granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**45. Deferred tax asset /(liability)**

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	4,860	8,421
Provision for decommissioning asset	18,893	17,405
Property, plant and equipment	16,921	11,123
Other provisions	70,785	52,921
<b>Total deferred tax asset</b>	<b>1,11,459</b>	<b>89,870</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Investments	2,563	2,538
<b>Total deferred tax liability</b>	<b>2,563</b>	<b>2,538</b>
<b>Net Deferred tax asset</b>	<b>1,08,896</b>	<b>87,333</b>

**46. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.80,561 (Previous Year Rs.71,091).
- b. Amount spent during the year

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Construction/ acquisition of any assets	-	-
Purpose other than above	75,620	1,37,247

**47. Treatment demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.





- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC –58.32%
- TSMDC –41.68%

- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & Liabilities	Common Pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Fixed Assets (WDV)	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.70,97,058/- Thousands (Sweep accounts of Rs 70,715 /- and fixed deposits of Rs 70,26,343 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.Rf.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fiber Net Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines, Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lt No.Fin 21022/6/2017 -AS, II —Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2022.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fiber Net limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18. However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.





Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores has been released during the year and the balance amount of Rs.40 crores has been released in the subsequent year to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

During the year, APSFL has not repaid the due instalment amount of Rs.20.00 crores as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government Order (GO) M5.No 127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Advance to Rayalaseema steel corporation limited**

During the year company has paid an amount of Rs.2.61 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the AMMDC. It further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDCL and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.2.61 crores has been provided towards provision for doubtful advance.



## 51. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>

## 52. Additional Information

### 52.1 Particulars of consumption of raw material

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	18,458	100.00	22,230	100.00
<b>Total</b>	<b>18,458</b>	<b>100.00</b>	<b>22,230</b>	<b>100.00</b>

### 52.2 Particulars of consumption of stores & spares

(Rs.in.Thousands)

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2019		Figures as at the end of 31 <sup>st</sup> March, 2018	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	15,891	100.00	8,673	100.00
<b>Total</b>	<b>15,891</b>	<b>100.00</b>	<b>8,673</b>	<b>100.00</b>

## 53. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> march, 2017 are considered but not adopted by the members of the company at the adjourned annual general meeting held on 14<sup>th</sup> July, 2022, due to non-completion of supplementary audit by the Comptroller of the Accounts.



and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> march, 2017, the board of directors of the company in their meeting held on 17<sup>th</sup> Sep, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2018. The reported amounts as on 31<sup>st</sup> march, 2018 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> march, 2017 and subsequent approval at annual general meeting. Necessary adjustments if any will be made in subsequent years.

#### **54. Revenue from contracts with customers**

The Company has implemented Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers w.e.f. 01st April, 2018 using the modified retrospective method of adoption. However, there is no financial implication due to implementation of the said Ind AS at present.

#### **55. Ind AS issued and not yet effective:**

##### **Ind AS 116 Leases :**

Ministry of Corporate Affairs has notified (The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia includes the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the 1st April 2019. The impact of the same is yet to be assessed. The Company is proposing to use the Modified Retrospective Approach for transitioning to Ind AS 116.

#### **56. Andhra Pradesh Granite (Midwest) Private Limited**

The joint venture company operations were affected during previous year due to failure in renewal of approved quantity laid down in environmental clearance ('EC'). During the year the company incurred loss of Rs.1,41,927/- (thousands) and its current liabilities exceeded its current assets by Rs 1,08,336/- (thousands). The company stopped production in May, 2018 and the company made full and final settlement to employees in the month of Jun, 2018. The company is likely to be liable for penalties for excess production. However, the accounts of the company for the year ended 31<sup>st</sup> March, 2019 have been prepared on Going Concern basis. The joint venture company is confident of obtaining approvals from concerned authorities for enhanced production and is likely to resume operations shortly. The auditor of the Joint venture had drawn an emphasis of matter relating to "Material Uncertainty relating to Going Concern" in their Audit Report for the year in this regard.

#### **57. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.



- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year
- d. All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

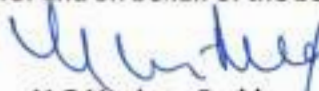
As per our report  
For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325

  
Dondeti Teja Sagar  
Partner  
Mem No.227878




Place : Visakhapatnam  
Date : November 15, 2022

for and on behalf of the board of directors

  
V.G. Venkata Reddy  
VC&MD  
DIN:08805525

  
D. Ramadevi  
Director  
DIN:08076094

  
A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: October 21, 2022

UDIN: 22227878BOI0203734



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

**Report on the Audit of the Standalone Financial Statements**

### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2020, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

We do not express an opinion on accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

### **Basis for Disclaimer of Opinion**

- 1) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced further. during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	53,66,24,751	Cr
2	Int. on FDR's, BFs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,29,26,10,396	Cr





3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	96,05,88,230	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,77,16,901	Dr
5	Demerger Adj Alc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,10,06,81,527	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	2,18,93,95,110	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,46,17,175	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,06,98,23,137	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,59,53,935	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	37,26,68,937	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	59,65,219	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	9,38,59,941	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,29,30,827	Dr
14	Int. on Fixed Deposits	26	Other Income	45,57,34,035	Cr
15	Int. on FD kept for BG	26	Other Income	1,01,96,036	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	7,03,23,604	Cr
17	Int. on Sweep account SBIId	26	Other Income	51,53,011	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,49,78,581	Dr

- i) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2020 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.
- ii) The following Ledger balances as on March 31, 2020 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2020 (In Rs.)
Adv.to EE Panch.Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,15,76,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796



Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Property, Plant and Equipment have not been physically verified during the year. Further, in respect of additions to Property, Plant and Equipment during the year, no supportings are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. The date of capitalization has been taken as 1<sup>st</sup> February 2020 for which no supporting has been provided. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.
- v) Inventories consists of Finished Goods amounting to Rs. 77,34,84,215 and Stores and Spares amounting to Rs. 1,31,36,227 as on 31<sup>st</sup> March 2020. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vii) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 47.53 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.



- viii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.
- x) The company has Trade Receivables balance amounting to Rs. 186.76 Crores and advance from customers amounting to Rs. 8.91 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 186.76 Crores and Advance from Customers amounting to Rs. 8.91 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings. -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C.-S.C.K.C.-JV	5,42,81,279	Dr
4	Sri R V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xii) The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State FiberNet Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19 and Financial Year 2019-20 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on





initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

- xiii) The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.
- xiv) The company has accounted for interest on credit sales amounting to Rs. 3.07 crores and Penalty Receipts from buyers amounting to Rs. 0.83 crores for the financial year 2019-20. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2020 has not been recognised which is not in line with the accounting policy followed by the company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2020. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xv) Balance in Suspense Account amounting to Rs. 37,12,449 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xvi) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,
  - a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.



- b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. As per the financial statements for Financial Year 2019-20, Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology upto 31<sup>st</sup> March 2020 has been accounted for 83,07,052 MTs whereas the Total Sand Excavation Charges billed by the Contractor to the Company upto 31<sup>st</sup> March 2020 has been accounted for 76,63,936 MTs. The reason for variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- c) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometre (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Company with the Transporters. The transportation charges payable has to be derived based on the Kilometres as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometres certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometres as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. It has been informed to us that Internal Transport Charges receivable from Director of Mines and Geology are also at the same kilometres and rate per kilometre but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Internal Transportation Income has been accounted for Rs. 78,68,83,041 whereas Internal Transportation Expense has been accounted for Rs. 107,95,37,457. The reason for difference between Income and Expenditure in an Internal Transportation Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- d) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to





Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. It has been informed to us that Door Delivery Transport Charges receivable from Director of Mines and Geology are also at the same rates but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Sand Transportation Door Delivery Income has been accounted for Rs. 85,35,79,638 whereas Sand Transportation Door Delivery Expense has been accounted for Rs. 77,52,27,226. The reason for difference between Income and Expenditure in a Door Delivery Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.

e) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supportings are not available for verification, the details of which are as follows:

- 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
- 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN.etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
- 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.
- 4) As per page 1 of note for approval pertaining to boatsmen society payments of the West Godavari district, 355323 MTs were dispatched from 1-10-2019 to 21-11-2019 based on a letter dated 18-11-2019 from the District Collector, West Godavari. The above quantity amounts to boatsmen excavation charges of Rs.7,49,73,153. Of the above amount Rs.5,42,34,000 was directly credited to Collectors account by Department of Mines and Geology and has been accordingly adjusted to boatsmen charges payable West Godavari. The payments for the above period were handled directly by the District Collector. The Company has not deducted statutory deductions such as TDS, TDS GST.etc. on the above payment. However, the records pertaining to the above claim including the letter received from district collector, the evidences pertaining to payments made by District Collector to Boatsmen on behalf of the company have not been provided for our verification.
- 5) The Excavation Charges payments to Boatsmen Society in respect of the months from September 2019 to January 2020 were partly looked after by the respective District Collector. The details of such payments, the expenditure to be booked in the company books for the period looked after by District Collector and the statutory deductions on such payments such as TDS, GST TDS are not available on record.



- 6) The DSO/District Collector confirmations in respect of 745746 MT's amounting to Rs.16,16,66,674 of Sand excavated by Sand Boatsmen Societies are not available on record.
- 7) As per the financial statements for Financial Year 2019-20, Agency Income on account of Excavation by Sand Boatsman has been accounted for 18,95,192 MTs whereas Sand Boatsmen Excavation Charges Expenses has been accounted for 14,24,707 MTs. The reason for variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- f) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- g) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2019-20. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2020.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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



### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

### **Other Matters**

The financial statements of the Company for the year ended March 31, 2018 and March 31, 2019 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018 and March 31, 2019, the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> August 2023 approved the financial statements for the year ended March 31, 2020. Consequently, we have conducted our audit for the year ended March 31, 2020 /and March 31, 2019 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2020 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018 and March 31, 2019 and subsequent approval at the Annual General Meetings.



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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse affect on the functioning of the Company.
  - f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Company is a Government Company.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.
  - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:





- i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 36 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S  
  
CA. D. TEJA SAGAR  
Partner  
Memb No: 227878  
UDIN: 23227878BGQLSR9421



### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2020)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of Inventory has not been conducted by the Management during the year. Further there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we are unable to comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.



- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

S.No	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Tax deducted at Source	2019-20	8,32,824
2	Central Goods and Services Tax, Act	Tax deducted at Source	2019-20	1,29,10,730
3	Income Tax Act	Tax deducted at Source	2018-19	5,01,375
4	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
5	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	90,66,196
6	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2019-20	10,57,30,693
7	Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 to 2019-20	10,65,002

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643



5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,155
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,97,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As per Notification GSR 463 (E) dated 3<sup>rd</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause (xi) of Paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) of Paragraph 3 of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.



- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of Paragraph 3 of the Order is not applicable.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325  
  
  
CA. D. TEJA SAGAR  
Partner  
Mem No : 227878

UDIN: 23227878BGQLSR9421

## **Annexure – B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports or Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2020)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;





- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2020

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal Financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations,
  - i. The company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - ii. Periodic Reconciliation of Bank Balances have not been done.



iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.

iv. Non maintenance of registers/records such as cheque book register, fixed asset register, RG registers, EMD/PSD register, register of contractors and register of tender schedules sold.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2020 and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a Disclaimer of opinion on the standalone financial statements of the Company.

Place Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325



CA. D. TEJA SAGAR  
Partner

Mem No: 227878

UDIN: 93227878BGQLSR9421

**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impalreo, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.



2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no Public Deposit Account in the name of the Company.</p>





	not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2019-20. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20





13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 0030325  
  
CA. D. TEJA SAGAR  
Partner  
Mem. No. 227878

UDIN: 23227878 BGGLSR9421

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone Balance Sheet as at March 31, 2020**

All amounts are in thousands, unless otherwise stated

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	7,31,580	4,80,773
Right-of-Use Assets	3	26,524	-
Capital work-in progress	3	13,630	-
Other intangible assets	3	44,541	2,854
Intangible assets under development	4	62,71,043	57,97,120
<b>Financial assets</b>			
Investments	6	11,027	11,027
Loans	5	5,95,409	8,18,727
Other financial assets	5	76,52,231	76,21,766
Deferred tax assets (net)	7	2,19,126	1,08,896
Non-current tax assets	8	6,95,414	6,57,629
Other non-current assets	9	29,76,834	23,61,501
<b>Total Non-current assets</b>		<b>1,97,25,958</b>	<b>1,78,62,747</b>
<b>Current assets</b>			
Inventories	10	7,85,821	9,20,547
<b>Financial assets</b>			
Trade receivables	11	14,89,634	14,15,106
Cash and cash equivalents	12	17,10,993	6,17,955
Other bank balances	12	5,53,854	-
Loans	13	30,47,268	27,01,627
Other financial assets	14	4,99,805	2,47,930
Other current assets	15	7,53,239	3,54,484
<b>Total Current assets</b>		<b>83,40,674</b>	<b>57,68,018</b>
<b>TOTAL ASSETS</b>		<b>2,80,66,632</b>	<b>2,36,30,765</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Entity share capital	16	65,062	59,062
Other equity	17	1,70,55,799	1,86,11,929
<b>Total Equity</b>		<b>1,71,20,861</b>	<b>1,86,76,891</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	18	30,73,173	27,81,670
Provisions	19	1,06,041	54,766
Other non-current liabilities	20	25,432	79,223
<b>Total Non-current liabilities</b>		<b>32,04,646</b>	<b>29,14,968</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	21	8,64,306	1,24,687
Other financial liabilities	22	8,74,948	5,59,264
Other current liabilities	23	4,84,221	5,93,502
Current tax liabilities	24	5,69,635	7,31,246
<b>Total Current liabilities</b>		<b>27,43,120</b>	<b>20,38,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,80,66,632</b>	<b>2,36,30,765</b>

Notes to financial statements

1-58

The accompanying notes are an integral part of these standalone financial statements

As per our report

For **Sriramamurthy & Co**  
Chartered Accountants  
Firm Regn No: 0030325  
**P.T. Sagar**  
**Dondeti Teja Sagar**  
Partner  
Mem No. 227878



UDIN: 23227878BGA LSR 9421

For and on behalf of the Board of Directors

**V.G.Venkata Reddy**  
VC & MD  
DIN: 08805525

**Raman Narayanan**  
Director  
DIN: 10267130

**A.Nageswara Reddy**  
General Manager - F&A

Place : Vijayawada  
Date : August 22, 2023



Place : Visakhapatnam  
Date : 22nd September 2023

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone Statement of Profit and Loss for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	25	1,32,96,911	86,21,521
Other income	26	7,75,977	7,86,188
<b>Total Income</b>		<b>1,40,72,888</b>	<b>94,07,709</b>
<b>Expenses</b>			
Cost of materials consumed	27	8,191	18,458
Change in inventories of finished goods	28	1,40,945	(88,437)
Employee benefits expense	29	3,37,799	3,97,585
Finance costs	30	11,098	38,703
Depreciation and amortization expense	31	81,561	56,901
Power and fuel	32	41,748	54,483
Excavation & transport charges	33	26,13,136	17,13,825
Other Expenses	34	60,92,311	19,17,063
<b>Total Expenses</b>		<b>93,26,787</b>	<b>41,08,580</b>
<b>Profit before exceptional items and tax</b>		<b>47,46,101</b>	<b>52,99,129</b>
Add - Exceptional items (Net)		-	-
<b>Profit before tax</b>		<b>47,46,101</b>	<b>52,99,129</b>
Less : Tax expense/(benefit)			
Current tax	35	14,14,594	19,88,986
Deferred tax	35	(1,10,184)	(21,588)
<b>Total tax expense/ (benefit)</b>		<b>13,04,409</b>	<b>19,67,398</b>
<b>Profit for the year from continuing operations</b>		<b>34,41,691</b>	<b>33,31,731</b>
Profit from discontinuing operations		-	-
Less - Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year [A]</b>		<b>34,41,691</b>	<b>33,31,731</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		3,279	1,371
Income tax on above items		46	(25)
<b>Total other comprehensive income for the year [B]</b>		<b>3,325</b>	<b>1,346</b>
<b>Total comprehensive income for the year [A+B]</b>		<b>34,45,016</b>	<b>33,33,078</b>
<b>Earnings per equity share (in Rs.)</b>			
[Nominal value of share Rs.1000 /-]			
- Basic	41	54,576.32	52,832.59
- Diluted		54,576.32	52,832.59
Notes to financial statements	1-58		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*P.T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No.227878



*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

*Raman Narayanan*  
 Raman Narayanan  
 Director  
 DIN: 10267130

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A



UDIN: 23227878B6QLSR9421

Place : Vijayawada  
 Date : August 22, 2023

Place: Visakhapatnam  
 Date: 22nd September 2023

## Statement of Changes in equity for the year ended March 31, 2020

Balance Sheet as at March 31, 2020

## A. Equity share capital

Particulars	No. of Shares	(Rs. in '000's)
Balance as at April 1, 2019	63,062	63,062
Changes in equity share capital during 2019-20		
Balance as at April 1, 2019	63,062	53,062
Changes in equity share capital during 2019-20		
Balance as at March 31, 2020	63,062	53,062

## B. Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for Bad and Doubtful Debts	Other Reserve (General reserve)	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actual Gain/Loss reserve	Deferred tax on OCI items	
Balance as at April 1, 2019	11,000	81,560	17,04,961	1,34,83,233	(5,637)	3,251	2,406	1,52,80,754
Profit for the year	-	-	-	33,31,731	-	-	-	33,31,731
Other comprehensive income for the year	-	-	-	-	-	1,370	(25)	1,345
Total comprehensive income for the year	-	-	-	33,31,731	-	1,370	(25)	33,31,731
Transfer to reserve for bad and doubtful debts	-	(452)	-	(45)	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	5,417	(5,417)	-
Balance as at March 31, 2019	11,000	81,108	17,04,961	1,68,15,414	(5,657)	10,039	(3,036)	1,86,13,829
Adjustment for lease rentals under IAS 116	-	-	-	(1,048)	-	-	-	(1,048)
Balance as at April 01, 2019	11,000	81,108	17,04,961	1,67,14,366	(5,657)	10,039	(3,036)	1,85,12,781
Profit for the year	-	-	-	14,41,692	-	-	-	14,41,692
Other comprehensive income for the year	-	-	-	-	-	3,279	46	3,325
Total comprehensive income for the year	-	-	-	14,41,692	-	3,279	46	14,41,692
Transfer to reserve for bad and doubtful debts	-	9,248	-	(4,243)	-	-	-	5,005
Balance as at March 31, 2020	11,000	90,356	17,04,961	2,02,49,813	(5,657)	13,318	(2,990)	2,20,55,798

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

P. T. Sagar  
Dandeti Teja Sagar  
Partner

Mem No. 227878



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

A. Nageswara Reddy  
General Manager - F&A

Raman Narayanan  
Director  
DIN: 00257130



UDIN: 23227878BGLSR9421

Place: Vijayawada  
Date: August 22, 2021

Place: Visakhapatnam  
Date: 22nd September 2023



The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone Cash flow statement for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from Operating Activities</b>		
Profit before tax from continuing operations	47,46,103	52,99,127
Adjustments for:		
Interest expense	1,186	34,477
Reversing of discounting on provisions	9,912	3,777
Interest income	(6,81,802)	(7,59,511)
Depreciation and amortization expense	81,561	55,903
Provision for bad & doubtful debts	3,20,300	20,542
Provision for bad & doubtful advances	2,22,925	30,838
Liabilities no longer required written back	(46,501)	(4,638)
<b>Operating profit before working capital changes</b>	<b>46,53,592</b>	<b>46,81,108</b>
Adjustments for:		
Increase/(decrease) in trade payables	5,55,140	(55,974)
Increase/(decrease) in provisions	91,934	(4,739)
Increase/(decrease) in other financial liabilities	5,65,210	6,18,258
Increase/(decrease) in other liabilities	(1,82,871)	(863)
Decrease/(increase) in trade receivables	(3,94,430)	(12,650)
Decrease/(increase) in inventories	1,34,726	(83,636)
Decrease/(increase) in other assets	(7,26,612)	(5,49,021)
Decrease/(increase) in other financial assets	(5,80,721)	(4,51,594)
<b>Cash generated from operations</b>	<b>42,35,008</b>	<b>41,41,449</b>
Direct taxes paid (net of refunds)	17,73,990	14,95,417
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>24,61,018</b>	<b>26,46,032</b>
<b>Cash flow from Investing activities</b>		
Profit after tax for the year (B)	(8,65,267)	(29,13,104)
Movements in other bank balance	(5,53,894)	24,14,702
Loans repaid / Given to parties	(5,96,500)	(24,00,000)
Loans repaid / Given to self	(33,853)	(4,869)
Interest received	6,91,802	7,59,911
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(13,59,707)</b>	<b>(21,43,361)</b>
<b>Cash flow from Financing activities</b>		
Interest paid	(1,186)	(34,477)
Payment of lease liability	(8,662)	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(9,249)</b>	<b>(34,477)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,92,063</b>	<b>4,68,234</b>
Cash and cash equivalents at the beginning of the year	6,17,930	1,49,695
<b>Cash and cash equivalents at the end of the year</b>	<b>17,10,993</b>	<b>6,17,930</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	609	104
Balances with scheduled banks		
With Current Accounts	17,10,383	6,17,825
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>17,10,993</b>	<b>6,17,930</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the Indirect method as set out in Ind AS - 7

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
 Chartered Accountants  
 Firm Regn No: 0030325

*D. T. Sagar*  
 Dondeti Teja Sagar  
 Partner  
 Mem No. 227878



V.G.Venkata Reddy  
 VC & MD  
 DIN: 08805525

Raman Narayanan  
 Director  
 DIN: 10267130

A.Nageswara Reddy  
 General Manager - F&A

UDIN: 23227878B6QLSR9421

Place: Vijayawada  
 Date: August 22, 2023



Place: Visakhapatnam  
 Date: 22nd September 2023



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh- 521137

### 2. Significant Accounting Policies

#### a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and 2017 as amended and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.



An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.



#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment/ Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.





Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).





Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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



The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

##### **Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

##### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.



**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.



**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-





- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.

#### **r. Leases**

The company has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for Buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- The contract involves the use of identified asset.
- The company has substantially all of the economic benefits from use of the asset through the period of lease and
- The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.





The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.



**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.



**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.



## **ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

## **iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

## **y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

## **z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## **aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

## **ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:





- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.





**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of Use assets for the year ended March 31, 2020

Note -3

Particulars	Gross block				Accumulated Depreciation/Amortisation			Net block		
	Cost as at April 1, 2019	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2020	Net Block as at March 31, 2020	Net Block as at March 31, 2019
Free hold land	2,78,926	1,412	-	2,80,337	-	-	-	-	2,80,337	2,78,926
Buildings	43,547	155	-	43,702	15,184	3,798	-	19,982	23,720	22,363
Plant and machinery	1,78,014	1,21,509	-	2,99,523	66,865	28,810	-	95,675	2,03,848	1,11,149
Furniture & fixtures	17,180	1,848	-	19,028	6,278	3,145	-	9,423	9,603	10,902
Vehicles	9,146	10,452	-	19,598	7,091	1,946	-	9,037	10,562	2,055
Office equipment	21,197	2,79,660	-	2,00,857	12,836	18,159	-	31,605	1,69,852	8,361
Mining and equipment	68,797	2,104	-	70,901	40,919	6,413	-	45,732	24,169	28,478
Data processing equipment	15,035	7,440	-	18,475	13,076	1,772	-	14,848	3,627	1,959
Tent & huts	2,934	197	-	3,131	2,649	141	-	2,790	301	285
Lease hold improvements	29,679	771	-	30,450	13,384	6,146	-	19,530	5,920	11,295
<b>Total</b>	<b>6,59,454</b>	<b>3,21,548</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>70,340</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,773</b>
Less: Depreciation capitalised during the year						475				
<b>Total</b>	<b>6,59,454</b>	<b>3,21,548</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>69,865</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,773</b>
Previous year - 2018-19	5,61,413	1,01,271	3,230	6,59,454	1,25,449	56,462	3,230	1,78,681	4,80,773	4,35,964
<b>LEASED ASSETS</b>	Addition on account of Transition to Ind AS 116 - at April 1, 2019	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2020	Net Block as at March 31, 2020	Net Block as at March 31, 2019
Right of use asset	24,478	8,813	-	33,289	-	8,765	-	8,765	24,524	-
<b>Total</b>	<b>24,478</b>	<b>8,813</b>	<b>-</b>	<b>33,289</b>	<b>-</b>	<b>8,765</b>	<b>-</b>	<b>8,765</b>	<b>24,524</b>	<b>-</b>
<b>Other Intangible Assets</b>										
<b>Particulars</b>	<b>Cost as at April 1, 2019</b>	<b>Additions</b>	<b>Disposals/ adjustments/ transfer</b>	<b>Cost as at March 31, 2020</b>	<b>Accumulated Depreciation as at April 1, 2019</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2020</b>	<b>Net Block as at March 31, 2020</b>	<b>Net Block as at March 31, 2019</b>
Computer software	3,353	-	-	3,353	2,163	865	-	2,630	723	1,188
Mining Property	1,976	44,578	-	46,554	270	2,466	-	2,736	43,818	1,705
<b>Total</b>	<b>5,329</b>	<b>44,578</b>	<b>-</b>	<b>49,907</b>	<b>2,433</b>	<b>2,931</b>	<b>-</b>	<b>5,366</b>	<b>44,541</b>	<b>2,894</b>
Previous year - 2018-19	5,157	172	-	5,329	1,612	823	-	2,835	2,894	3,545
<b>Exploration Intangible assets under development</b>	<b>57,97,120</b>	<b>4,73,923</b>	<b>-</b>	<b>62,71,043</b>					<b>62,71,043</b>	<b>57,97,120</b>
Previous year - 2018-19	29,72,252	28,24,869	-	57,97,120	-	-	-	-	57,97,120	29,72,252
<b>Capital work in progress</b>		<b>13,830</b>	<b>-</b>	<b>13,830</b>					<b>13,830</b>	
Previous year - 2018-19	12,822	-	12,822	-	-	-	-	-	-	12,822

The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to consolidated financial statements for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2020	March 31, 2019
	Investment in subsidiary companies		
	i. M/s APMDCL SCC, a private company limited		
	5,100 equity shares (March 31, 2019: 5,100) of Rs 10/- each		
	Fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s Mangam steel company limited		
	1,950 equity shares (March 31, 2019: 3,000) of Rs 100/- each		
	Fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s Ongole iron ore mining privately private limited		
	55,100 equity shares (March 31, 2019: 55,100) of Rs 10/- each		
	Fully paid up	551	551
	Less: Provision made for diminution in the value of shares	(551)	(551)
	iv. M/s Andhra phosphate private limited		
	1,110 equity shares (March 31, 2019: 1,110) of Rs 100/- each		
	Fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in Associates		
	v. M/s. Asaram mineral development projects limited,		
	65,000 equity shares (March 31, 2019: 65,000) of Rs 10/- each		
	Fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s NMR mineral mine limited		
	3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs 10/- each		
	Fully paid up	3,250	3,250
	Profit after tax for the year (A)	(3,250)	(3,250)
	vii. M/s. Asham minerals exports private limited		
	1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs 10/- each		
	Fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Isp. minerals exports private limited		
	1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs 10/- each		
	Fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangrove products private limited		
	1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs 10/- each		
	Fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited		
	3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs 10/- each		
	Fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. RLP granite products limited		
	3,25,000 equity shares (March 31, 2019: 3,25,000) of Rs 10/- each		
	Fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s A.P. conceptual gases & metals private limited		
	13,000 equity shares (March 31, 2019: 13,000) of Rs 10/- each		
	Fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s Andhra Pradesh industrial mining private limited		
	28,600 equity shares (March 31, 2019: 28,600) of Rs 10/- each		
	Fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)
	Investment in joint ventures		
	xiv. M/s A.P. granite (exports) private limited		
	11,00,000 equity shares (March 31, 2019: 11,00,000) of Rs 10/- each		
	Fully paid up	11,000	11,000
	xv. M/s. A.P. black granite granite private limited		
	11,00,000 equity shares (March 31, 2019: 11,00,000) of Rs 10/- each		
	Fully paid up	11,000	11,000
	Less: Provision made for diminution in the value of shares	(11,000)	(11,000)





7	Deferred tax asset (Net)	As at	As at
		March 31, 2021	March 31, 2019
	Deferred tax asset		
	Property, plant & equipment	4,199	16,813
	Impact of expense being charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	2,335	4,860
	Provision for doubtful debts on goods	24,686	18,193
	Provision for doubtful debts on services	662	
	Provision for bad & doubtful debts, investments & advances	1,37,456	70,785
	Total Deferred tax asset	2,23,648	1,13,489
	Deferred tax liability		
	Investment	(2,517)	(2,561)
	Total deferred tax liability	(2,517)	(2,561)
	Net Deferred tax asset	2,19,135	1,08,895
8	Non-current tax assets	As at	As at
		March 31, 2020	March 31, 2019
	Income Tax		
	Corporate tax receivable	6,57,414	6,57,629
	Total	6,57,414	6,57,629
9	Other non-current assets	As at	As at
		March 31, 2020	March 31, 2019
	A) Capital advances		
	Unsecured, considered good	2,35,387	2,35,387
	Unsecured, considered doubtful	26,023	26,023
	Provision for doubtful advances	(26,023)	(26,023)
		2,35,387	2,35,387
	B) Advances other than capital advances		
	Unsecured, considered good	11,90,134	12,38,340
	Unsecured, considered doubtful	88,893	95,631
	Less: Provision for doubtful advances	(88,893)	(95,631)
		11,90,134	11,38,340
	C) Others - Specified		
	Unsecured, considered good	13,45,856	8,80,256
	Unsecured, considered doubtful	1,98,875	10,537
	Less: Provision for doubtful advances	(1,98,875)	(10,537)
	Unpaid expenses	658	4,018
		13,45,514	8,84,774
	Total	29,76,834	23,62,901
10	Inventories	As at	As at
		March 31, 2020	March 31, 2019
	Finished Goods	7,73,434	9,34,424
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	33,136	6,988
	Total	7,73,871	9,29,513



31	Trade receivables (Current)	As at March 31, 2020	As at March 31, 2019
	Unsecured, considered good	14,89,634	14,35,524
	Unsecured, considered credit impaired	1,77,960	1,6,119
	Less: Impairment allowance for doubtful debts	(3,77,950)	(57,639)
	Total	14,89,634	14,83,504
32	Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
	Cash and cash equivalents		
	Balance with banks:		
	in current accounts	17,30,385	5,37,826
	Cash on hand	629	104
	(A)	17,30,993	6,87,930
	Other bank balances:		
	Fixed deposits with maturity > 3 months but < 12 months	5,53,894	-
	(B)	5,53,894	-
	Total	22,84,887	6,87,930
33	Loans (current)	As at March 31, 2020	As at March 31, 2019
	Loans to others:		
	Unsecured, considered good		
	Loan to AP State Paperies Limited & Madhavaram Jyoti		
	Development Authority Refer 4057 AR & 43	24,50,000	22,00,000
	Other's Ref: Mulo 52	3,36,500	-
	Loans and Advances to Employees		
	Unsecured, considered good	1,685	1,622
	Total	30,41,785	22,01,622
34	Other financial assets (Current)	As at March 31, 2020	As at March 31, 2019
	Deposit with others:		
	Unsecured, considered good	-	50
	Advances receivable in cash		
	Unsecured, considered good	1,119	-
	Interest earned on deposits		
	Unsecured, considered good	4,36,490	2,41,890
	Unsecured, considered doubtful	24,318	24,318
	Less: Provision made	(24,318)	(24,318)
	Total	4,98,807	2,41,930
35	Other current assets	As at March 31, 2020	As at March 31, 2019
	A) Advances recoverable		
	Unsecured, considered good	37,302	8,319
		37,302	8,319
	B) Others - Specified		
	Unsecured, considered good		
	Balance with statutory authorities	1,26,532	7,98,650
	Prepaid expenses	50,749	42,003
	Others	18,556	14,355
	Total	2,05,437	7,54,667
	Total	2,53,239	3,64,486





26	Equity Share Capital	As at March 31, 2020	As at March 31, 2019
Authorized share capital: 2,00,000 equity shares of Rs.1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs.1000/- each)		2,00,000	2,00,000
		2,00,000	2,00,000
Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs.1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs.1000/- each)		63,062	63,062
		63,062	63,062
<b>16.1 Additional notes</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
Particulars	As at March 31, 2020	As at March 31, 2019	
Shares outstanding at the beginning of the year	63,062	63,062	
Shares issued during the year			
Shares outstanding at the end of the year	63,062	63,062	
<b>16.2 Rights, preferences and restrictions attached to Equity Shares</b>			
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholder.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
Name of the share holder	As at March 31, 2020	As at March 31, 2019	
Governer of the Andhra Pradesh, represented by Assistant Secretary to Government (Income Tax) & R. Co-operation department	63,062 (100%)	63,062 (100%)	
<b>17 Other equity</b>			
Capital Reserves	As at March 31, 2020	As at March 31, 2019	
Free Res. equity shares for consideration other than cash allotted to:			
i. M/s. Ajantha Minerals Development private limited, 65,000 equity shares (March 31, 2019: 65,000) of Rs. 10/- each fully paid up	650	650	
Less: Provision made for diminution in the value of shares	(650)	(650)	
ii. M/s. SRRP mineral mining limited 3,75,000 equity shares (March 31, 2019: 3,75,000) of Rs.10/- each fully paid up	3,750	3,750	
Less: Provision made for diminution in the value of shares	(3,750)	(3,750)	
iii. Ajantha Minerals experts private limited 1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300	
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)	
iv. M/s. Ajantha's experts private limited 1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300	
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)	
v. Mangaraj granite private limited 1,30,000 equity shares (March 31, 2019: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300	
Less: Provision made for diminution in the value of shares	(1,300)	(1,300)	
vi. Dimple minerals experts private limited 1,25,000 equity shares (March 31, 2019: 1,25,000) of Rs. 20/- each fully paid up	2,500	2,500	
Less: Provision made for diminution in the value of shares	(2,500)	(2,500)	



vi. R.P. granites private limited 3,25,000 equity shares/March 31, 2019: 3,25,000 of Rs. 10/- each fully paid up	3,250	3,250
Less: Provision made for diminution in the value of shares	(1,290)	(1,250)
vii. M/s. A.P. granites (midwest) private limited 11,00,000 equity shares/March 31, 2019: 11,00,000 of Rs. 10/- each fully paid up	11,000	11,000
viii. M/s. Akshara A.P. clark granite granites private limited 11,00,000 equity shares/March 31, 2019: 11,00,000 of Rs. 10/- each fully paid up	11,000	11,000
Less: Provision made for diminution in the value of shares	(11,000)	(11,000)
ix. M/s. Pithavara granites private limited 1,10,000 equity shares/March 31, 2019: 1,10,000 of Rs. 100/- each fully paid up	11,000	11,000
Less: Provision made for diminution in the value of shares	(11,000)	(11,000)
x. M/s. A.P. essential sands & metals private limited 1,10,000 equity shares/March 31, 2019: 1,10,000 of Rs. 10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(10)	(10)
xi. M/s. Ganga iron ore mining company private limited 56,100 equity shares/March 31, 2019: 56,100 of Rs. 10/- each fully paid up	561	561
Less: Provision made for diminution in the value of shares	(561)	(561)
xii. M/s. Laxmi A.P. granite benelophon private limited 1,320 equity shares/March 31, 2019: 1,320 of Rs. 10/- each fully paid up	13	13
Less: Provision made for diminution in the value of shares	(13)	(13)
xiii. M/s. Andhra bharati corporation private limited 8,52,500 equity shares/March 31, 2019: 8,52,500 of Rs. 10/- each fully paid up	8,525	8,525
Less: Provision made for diminution in the value of shares	(8,525)	(8,525)
xiv. M/s. Andhra Pradesh iron ore company limited 4,850 equity shares/March 31, 2019: 4,850 of Rs. 10/- each fully paid up	50	50
Less: Provision made for diminution in the value of shares	(50)	(50)
xv. M/s. Tiltmash granite private limited 4,50,000 equity shares/March 31, 2019: 4,50,000 of Rs. 10/- each fully paid up	4,500	4,500
Less: Provision made for diminution in the value of shares	(4,500)	(4,500)
xvi. M/s. V.P. granite private limited 1,100 equity shares/March 31, 2019: 1,100 of Rs. 100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
	<b>13,000</b>	<b>13,000</b>
<b>Other comprehensive income</b>		
Opening Balance	1,346	-
Other comprehensive income for the year	1,375	1,346
Add/(Less): Transferred from/(to) retained earnings	-	-
Closing balance	<b>4,673</b>	<b>1,346</b>
<b>Reserve for bad and doubtful debts</b>		
Opening balance	81,106	81,500
Add/(Less): Transferred from/to profit and loss account	4,248	(452)
Closing balance	<b>85,354</b>	<b>81,048</b>
<b>General Reserve</b>		
Opening balance	17,04,961	17,04,961
Impact of transfer to Ind AS 136	(1,049)	-
Closing balance	<b>17,01,912</b>	<b>17,04,961</b>



Retained Earnings		
Closing balance	1,68,15,413	1,39,89,353
Add/(Less) Profit for the year	28,41,693	39,31,729
	2,32,57,106	1,68,15,413
Less: Appropriations		
Reserve for bad and doubtful debts	8,248	(452)
Total appropriations	8,248	(452)
Closing balance	2,32,52,857	1,68,15,413
Total	2,32,52,857	1,68,15,413

#### Nature and purposes of reserves

##### General Reserve

General reserve is created by the company by appropriating the balance of Retained earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business expansion, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debts.

##### Retained earnings

Retained earnings are the profits that the company has earned in a year, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	Other Financial Assets (Non-current)	As at March 31, 2020	As at March 31, 2019
	Expenses payable against infrastructure development	68,318	54,172
	Deposits	17,280	17,280
	Others	29,87,184	27,30,238
	Total	30,72,782	27,81,690

19	Provisions (Non-current)	As at March 31, 2020	As at March 31, 2019
	Provision for Others		
	Provision for decommissioning cost	1,36,043	54,055
	Total	1,36,043	54,055

20	Other Non-current liabilities	As at March 31, 2020	As at March 31, 2019
	Others		
	Statutory liabilities	25,432	29,235
	Total	25,432	29,235

21	Trade payables (Current)	As at March 31, 2020	As at March 31, 2019
	Trade payables		
	Debt of micro enterprises and small enterprises		
	Debt of creditors other than micro enterprises and small enterprises	1,54,306	1,81,637
	Total	1,54,306	1,81,637

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSME Act), have been identified based on the information available with the company and the required disclosures are given below:

Particulars	As at March 31, 2020	As at March 31, 2019
a) Principal amounts and interest due thereon		
b) Interest paid in terms of section 16 of MSME Act		
c) Interest due and payable for the period of delay excluding interest specified under MSME Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSME Act 2006		

Since the micro and small enterprises have been determined to the extent, such details have been identified on the basis of information collected by the management.



22	Other financial liabilities (Current)		As at	As at
			March 31, 2020	March 31, 2019
	Salaries & other benefits payable		15,542	79,163
	Gifted money and security deposits from customers		281,373	305,724
	Other payables		5,24,181	233,381
	Total		8,24,945	3,54,768
23	Other current liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Advance from customers		89,328	3,64,327
	Inventory liabilities		3,92,391	2,28,374
	Liabilities from Receipts/Suspense		3,117	-
	Total		4,84,836	5,92,701
24	Current tax liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Provision for income tax		5,69,635	7,21,246
	Total		5,69,635	7,21,246



The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to standalone financial statements for the year ended March 31, 2020  
 All amounts are in thousands, unless otherwise stated

25	Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
	Sale of products	1,00,28,744	85,76,488
	Sale of services		
	Agency Services including transportation	31,19,243	-
	Others	1,48,974	45,332
	<b>Total</b>	<b>1,32,96,911</b>	<b>86,21,821</b>
26	Other Income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest Income		
	Bank deposits	6,26,125	6,25,728
	Others	811	287
	Others	55,366	1,33,836
	Other non operating income		
	Rent receipts	661	721
	Forfeiture of security deposit	1,500	18,000
	Sale of tender documents	4,584	7,752
	Liabilities no longer required written back	46,590	4,638
	Penalties on buyers and sellers	8,370	-
	Other miscellaneous income	32,070	656
	<b>Total</b>	<b>7,75,977</b>	<b>7,86,188</b>
27	Profit after tax for the year (A)	For the year ended March 31, 2020	For the year ended March 31, 2019
	Packing material	8,191	18,458
	<b>Total</b>	<b>8,191</b>	<b>18,458</b>
28	Changes in inventories of finished goods	For the year ended March 31, 2020	For the year ended March 31, 2019
	a) Opening stock of Finished Goods	9,14,429	8,25,992
		9,14,429	8,25,992
	b) Closing stock of Finished Goods	7,73,484	7,14,429
		7,73,484	7,14,429
	<b>Changes in Inventories of Finished Goods</b>	<b>1,40,945</b>	<b>(88,437)</b>
29	Employee benefit expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Salaries and wages	7,64,365	8,20,655
	Contribution to provident fund and other funds	48,443	53,950
	Staff welfare expenses	24,997	24,980
	<b>Total</b>	<b>8,37,805</b>	<b>8,99,585</b>
30	Finance costs	For the year ended March 31, 2020	For the year ended March 31, 2019
	Unwinding of discount on provision	9,917	4,226
	Interest	1,185	34,477
	<b>Total</b>	<b>11,098</b>	<b>38,703</b>





31	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Depreciation of Plant, Property and Equipment	72,330	56,157
	Amortization of intangible assets	465	744
	Depreciation on Right of use assets	8,765	-
	<b>Total</b>	<b>81,561</b>	<b>56,901</b>
32	<b>Power and fuel</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Power and fuel	41,748	54,483
	<b>Total</b>	<b>41,748</b>	<b>54,483</b>
33	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Excavation & transport charges for run of mine	9,34,964	3,87,895
	Excavation & transport charges for over-burden	12,78,171	14,25,930
	<b>Total</b>	<b>26,13,135</b>	<b>17,13,825</b>
34	<b>Other expenses</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
	Rents	2,581	12,264
	Repairs & maintenance	10,176	15,891
	Insurance	1,153	943
	Rates and taxes		
	Royalty	8,62,948	7,16,367
	DMF	2,54,332	2,14,909
	NMET	16,955	14,327
	Cess	53,156	46,576
	Other Rates and Taxes	2,46,764	1,31,869
	Other expenses		
	Operating expenses	30,055	30,771
	Expenses for agency services	30,50,874	-
	Discount on sales	82,485	-
	Freight charges	19,140	37,275
	Transport and Wagon loading charges	74,684	91,524
	Selling expenses	96,039	28,574
	New project expenses	3,945	1,534
	Office & general expenses	76,488	67,763
	Payment to auditors (refer note no 34.1)	750	750
	Audit fee for other auditors	450	430
	Printing & stationery	7,740	3,730
	Corporate social responsibility expenses	73,384	75,670
	Remuneration to out sourced services	4,67,323	2,61,117
	Provision for doubtful debts	1,20,300	20,542
	Provision for doubtful advances	2,24,975	30,838
	Data processing charges	7,731	1,542
	Rehabilitation expenses	12,834	9,635
	Donations	13	1,00,000
	Miscellaneous expenditure	614	2,885
	<b>Total</b>	<b>60,92,311</b>	<b>19,17,063</b>



34.1	Payment to Auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
	Statutory audit fee	750	750
	<b>Total</b>	<b>750</b>	<b>750</b>

### 35 Income Tax

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
Current income tax charge	14,14,594	19,88,586
<b>Total (a)</b>	<b>14,14,594</b>	<b>19,88,586</b>
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(1,10,184)	(21,588)
<b>Total (b)</b>	<b>(1,10,184)</b>	<b>(21,588)</b>
<b>Total</b>	<b>13,04,409</b>	<b>19,67,398</b>

### Other comprehensive income

Items that will not be reclassified to P&L	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of Defined Benefit Plan Loss/Gain		
Gratuity	970	(350)
Leave encashment	2,309	1,721
Deferred tax on above items	46	(25)
<b>Total</b>	<b>3,325</b>	<b>1,346</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) before tax as per statement of profit and loss	47,06,131	52,99,129
Applicable tax rate as enacted by the relevant finance Act	25.168 %	34.944 %
Computed Tax Expense	11,94,439	18,51,728
Tax effect of:		
i) Deferred tax related adjustment including impact on deferred tax for the year due change in applicable tax rate	(1,10,184)	(21,588)
ii) Adjustment due to expenses not considered under T Act		
a) CSR Expenditure	18,394	26,425
b) Change in Depreciation	5,418	6,180
c) Provision for doubtful items	1,36,714	17,954
d) Other items	59,564	86,760
<b>Total Income Tax expense for the year</b>	<b>13,04,409</b>	<b>19,67,398</b>



**36.Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2020	As at 31.03.2019
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.85 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Baryles Buyers of Mangambeet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.100 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTU<sup>2</sup> Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>51,36,610 8,94,026</p>	<p>43,73,675 7,62,935</p>
vi	As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2018-19, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's:  Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



C	Capital commitments in respect of unexecuted contracts	-	15,128
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In absence of data relating to Issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2015-2020, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	97	335
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	503	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
Less: Share of TSMDC		-	(31,104)	-
Share of APMDC		-	46,860	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,712	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)





### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,027	-	11,027
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and Cash equivalents	-	-	17,10,993	-	17,10,993
Other Bank balances	-	-	5,53,894	-	5,53,894
Other Financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,044</b>	-	<b>1,58,60,281</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>

As at 31st March, 2019

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,027	-	11,027
Loans	-	5,802	30,14,542	-	30,20,344
Trade receivables	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	-	-	6,17,930	-	6,17,930
Other Financial assets	-	-	78,71,316	-	78,71,316
<b>Total</b>	-	<b>5,802</b>	<b>1,29,30,319</b>	-	<b>1,29,36,121</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	1,84,687	1,84,687
Other financial liabilities	-	-	-	33,40,939	33,40,939
<b>Total</b>	-	-	-	<b>35,25,626</b>	<b>35,25,626</b>



### 38. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined / modified.

Expected credit loss for trade receivables under simplified approach is as under:

Particulars	2019-20	2018-19
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	57,659
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	57,659
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2019-20	2018-19
Ageing	<12 Months	<12 Months
Gross carrying amount	14,89,634	14,15,504
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,89,634	14,15,504

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### 1. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2019-20	2018-19
Selling price increase by 5%		
Barytes	5,08,883	4,31,076
Agency services	1,55,962	-
Selling price decrease by 5%		
Barytes	(5,08,883)	(4,31,076)
Agency services	(1,55,962)	-



**b. Packing material price risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name.				
Packing material	(410)	410	(993)	993

**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & Transport Charges for run of mine	(16,748)	16,748	(19,395)	19,395
Excavation & Transport Charges for Overburden	(1,13,909)	1,13,909	(66,296)	66,296

**39. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2020**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>



As at 31st March 2019

As at 31st March 2017				
Particulars	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities.</b>				
Trade payables	1,84,687	1,84,687	1,84,687	-
Non-current financial liabilities	27,81,670	27,81,670	-	27,81,670
Current financial liabilities	5,59,269	5,59,269	5,59,269	-
<b>Total</b>	<b>35,25,626</b>	<b>35,25,626</b>	<b>7,43,956</b>	<b>27,81,670</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2020	As at 31-03-2019
Employers contribution to provident fund	8,919	8,838
Employers contribution to pension fund	5,442	5,577

##### B. Defined benefit plans

i. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019

Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	63,703	57,113	54,884	51,160
Service cost	2,362	2,405	2,072	1,982
Interest expenses	4,467	4,328	4,027	3,863
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(10,930)	(899)	(4,717)	(916)
Remeasurements - actuarial (gains)/losses	(563)	766	(2,074)	(1,206)
<b>Benefit obligations at the end</b>	<b>59,039</b>	<b>63,703</b>	<b>54,194</b>	<b>54,884</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	64,506	48,973	68,073	48,555
Interest income	4,683	4,182	5,807	4,272
Employer contributions	4,026	12,706	19,992	15,923
Benefits payments from plan assets	(12,259)	(1,770)	(5,243)	(1,197)
Actuarial gain / (loss) on plan assets	406	416	235	515
<b>Benefit obligations at the end</b>	<b>61,363</b>	<b>64,507</b>	<b>88,864</b>	<b>68,073</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
PV of obligations at the end of the year	59,039	63,703	54,194	54,884
Fair value of plan assets at the end of the year	61,363	64,507	88,864	68,073
Liability (+)/Asset (-) recognised in the balance sheet	(2,324)	(803)	(34,670)	(13,189)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Service cost	2,362	2,405	2,072	1,982
Interest expenses	(216)	136	(1,778)	(408)
<b>Net expense recognised</b>	<b>2,146</b>	<b>2,541</b>	<b>294</b>	<b>1,574</b>





iv. Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Actuarial (gain)/losses on obligations for the period	(563)	766	(2,074)	(1,206)
Actuarial (gain)/losses on plan assets for the period	(406)	(416)	(235)	(515)
Net expense recognised	(970)	350	(2,309)	(1,721)

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Rate of discounting	6.62%	7.67%	6.62%	7.67%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.42	11.15	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity		Leave Encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Expected Cash flow in year 1	22,239	30,539	22,842	26,299
Expected Cash flow in year 2	6,477	3,074	8,451	6,373
Expected Cash flow in year 3	5,995	6,190	6,726	7,166
Expected Cash flow in year 4	6,801	5,732	5,548	5,630
Expected Cash flow in year 5	2,474	5,570	3,706	5,435
Expected Cash flow in year 6	4,062	3,207	3,546	3,109
Expected Cash Flow in year 7	4,467	3,895	3,611	2,972
Expected Cash flow in year 8	1,461	4,170	1,646	3,031
Expected Cash flow in year 9	7,323	1,362	2,922	1,341
Expected Cash flow in year 10	2,761	6,890	1,400	2,425



**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs.in. '000')		(% of change)	
	As at	As at	As at	As at
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Under Base Scenario	59,039	63,703	0.00%	0.00%
Salary Escalation - Up by 1%	61,802	66,358	4.70%	4.20%
Salary Escalation - Down by 1%	56,512	61,259	-4.30%	-3.90%
Withdrawal Rates - Up by 1%	59,362	64,133	0.50%	0.70%
Withdrawal Rates - Down by 1%	58,682	63,231	-0.60%	-0.80%
Discount Rates - Up by 1%	56,933	61,740	-3.60%	-3.10%
Discount Rates - Down by 1%	61,386	65,880	4.00%	3.50%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.in. '000')		(% of change)	
	As at	As at	As at	As at
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Under Base Scenario	54,194	54,884	0.00%	0.00%
Salary Escalation - Up by 1%	55,596	56,627	3.30%	3.10%
Salary Escalation - Down by 1%	52,485	53,231	-3.70%	-3.00%
Withdrawal Rates - Up by 1%	54,317	55,050	0.20%	0.30%
Withdrawal Rates - Down by 1%	54,064	54,707	-0.20%	-0.30%
Discount Rates - Up by 1%	52,314	53,682	-2.40%	-2.20%
Discount Rates - Down by 1%	55,573	56,176	2.50%	2.30%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.



**b. Future salary escalation and Inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**41. Earnings per share (EPS)**

Particulars	As at 31-03-2020	As at 31-03-2019
Profit after tax before exceptional items	34,41,692	33,31,731
Add: exceptional items	-	-
Profit after tax after exceptional items	34,41,692	33,31,731
Profit available for Equity Shareholders	34,41,692	33,31,731
Weighted number of Equity Shares Outstanding	53,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	54,576.32	52,832.59
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	54,576.32	52,832.59

**42. Segment Information**

**i. Description of segment and principal activities**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. Mining and Sand Operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.



**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 67,28,557 thousand is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue"

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Revenue</b>				
External Revenue *	1,01,77,668	31,19,243	-	1,32,96,910
<b>Total Segment Revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>	<b>-</b>	<b>1,32,96,910</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income	-	-	7,27,512	7,27,512
Unallocated expenses and finance cost	-	-	(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
Income tax - Current	-	-	14,14,594	14,14,594
Deferred tax	-	-	(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(13,65,642)</b>	<b>34,41,692</b>
<b>Other Information</b>				
Segment Assets **	42,81,513	14,17,756	2,23,67,362	2,80,66,632
Segment Liabilities **	10,25,741	10,88,149	38,33,882	59,47,772





Capital work in progress	-	13,830	-	13,830
Depreciation and amortisation	36,956	21,768	-	81,561
Non-cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667

\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

1. Segment assets and liabilities are subject to reconciliation

#### 43. Related Party Transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2020	As at 31-03-2019
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SECL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	25.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%





**Key Management Personal:**

Name of the related party	Relation
Sri Ch.Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	Vice Chairman & Managing Director
Sri Y.Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)	Vice Chairman & Managing Director
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited	
Machilipatnam Urban Development Authority	Fellow Government company
Rayalaseema Steel Corporation Limited	/ Authority
AP High Grade Steel Limited	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	10,845
Pallavared granite private limited	41,259

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
Andhra Pradesh granite (Midwest) private limited	1,50,844	1,25,028
Pallavared granite private limited	59,427	41,844
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2020	As at 31-03-2019
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	19,726
Pallavared granite private limited	10,744	-

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2020	As at 31-03-2019
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCL Suliya coal company limited	51	51
Nuagon coal company limited	5,957	5,957
Total	7,679	7,679
Investment derated/provision	7,679	7,679



<b>Investment in joint ventures</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217
<b>Investment in associates</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margaree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
S&AP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Sri Ch.Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	355	2,142
Sri Y. Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)	588	-
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	889	-

**vi. Loan to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
AP state fibernet limited	10,00,000	10,00,000
Machilipatnam urban development authority	20,00,000	20,00,000



**vii. Advance to related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
Rayalaseema steel corporation limited *	32,739	26,095
AP High Grade Steel Limited*	20,000	-

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**44. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for Internal Transport and Sand Door Delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the government regarding rates are not available.
  - i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand Boatsman Excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal Transportation Services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.



- iv. Door Delivery Transportation Services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of Agency Income and Transportation Income is not available. The same have been initially recognized based on the output from the Code Tree Software. However, the data from Code Tree Software is presently not available and relevant supporting to the Sale Vouchers are also not available. Due to the non-availability of records as explained above, we are unable to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income (83,07,052 MTs) and Quantity booked in Sand Excavation Expenditure (76,63,936 MTs) amounting to 6,43,116 MTs. Similarly, the difference between Internal Transportation Income and Internal Transportation Expense amounting to Rs. 29,27,22,581 could not be reconciled.

- d. Payments to the Sand Excavation, Internal transportation Expense have been based on the certification by the District sand officer/ District Sand In charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s Code Tree Software Solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code Tree was discontinued. Despite several requests, Code Tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the Door Delivery of Sand
- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
- ii. Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
- iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.





- iv. We do not possess the required records to reconcile the difference between the Sand Transportation Door Delivery Income and Sand Transportation Door Delivery Expense, which amounts to Rs. 7,83,52,411/-.
- g. The details of the receipts have not been provided to us by Director of Mines and Geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in Trade Receivable in the name of Director of Mines and Geology amounting to Rs. 20,32,31,193/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. The vouchers nor supporting's were maintained for the bulk payments of Door Delivery of Transportation of Sand and Boatmen Charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from End Customers directly in our bank account without routing it through Director of Mines and Geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various mode of payments such as DDs, UPIs and Cash directly deposited in our Bank Account. The share owed to Director of Mines and Geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under Unknown Receipts and have been classified as Current Liability due to pending reconciliation with Director of Mines and Geology.
- k. With regards to sand operations through desiltation by Boatman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
- ii. Since sand transactions were made by the District Administration, the details of the sale transactions are available with them and the same is not available with the company.





- iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
- The District Collector, East Godavari remitted an amount of Rs. 8,51,78,158 on 20th February 2020, which remained in their bank account as on date. As in the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. However, we have not been provided with the details of payments made directly to the boatmen or the receipts from the Director of Mines and Geology (Sand), and therefore, we could not include these transactions in our books due to the lack of records.
  - Regarding West Godavari, sand boatsman entries for the period from 01/10/2019 to 21/11/2019 were processed based on a letter dated 18th November 2019 from the District Collector, amounting to Rs. 7,49,73,153. However, we have not been provided with the details of payments made directly by the boatmen or the receipts from the Director of Mines and Geology (Sand). Additionally, the letter dated 18th November 2019 is currently not available in our records.
  - Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
    - ◆ Sand Boatsmen Excavation Expenses of West Godavari district amounting to Rs.7,56,55,256 for the excavation of 3,61,326 MT's from the period 01-10-2019 to 09-01-2020.
    - ◆ Sand Boatsmen Excavation Expenses of East Godavari district amounting to Rs.8,60,11,418 for the excavation of 3,84,271 MT's from the period 26-11-2019 to 31-03-2020.
- iv. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
- v. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.
- vi. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.



- vii. We do not possess the required records to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income on account of Excavation of Sand Boatsmen (18,95,192 MTs) and Quantity booked in Sand Boatsmen Excavation Charge Expenses (14,24,707MTs), amounting to 4,70,485 MTs. As in the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. Hence this difference in quantities could not be reconciled.

- i. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID - 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.

#### 45. Deferred tax asset /(liability)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,335	4,860
Provision for decommissioning asset	26,688	18,893
Property, plant and equipment	4,299	16,921
Other provisions	1,88,320	70,785
<b>Total deferred tax asset</b>	<b>221,643</b>	<b>1,11,459</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,517	2,563
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,563</b>
<b>Deferred tax asset /(liability) - net</b>	<b>2,19,126</b>	<b>1,08,896</b>

#### 46.CSR Expenditure

- a. Gross amount required to be spent by the company during the year is Rs.88,324 (Previous Year Rs.80,561).
- b. Amount spent during the year

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Construction/ acquisition of any assets	-	-
Purpose other than above	73,084	75,620

#### 47. Treatment demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.



- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & Liabilities	Common Pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
Deffered tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,535	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>



Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### Amounts held in current accounts, fixed deposits, sweep accounts

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 07-06-2014. Out of these balances an amount of Rs.78,50,479/- Thousands (Sweep accounts of Rs.75,954 /- and fixed deposits of Rs.77,74,525 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### 48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)

Corporation has received a Government Order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. in compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also





confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs. in. Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.





The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Advance to Rayalaseema steel corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores have been provided towards provision for doubtful advance.

#### **51. Advance to AP High Grade Steel Limited**

As per the endorsement of Special Chief Secretary, Industries & Commerce Department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to District Collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404th meeting held on 17-07-2020.

Further, no agreement has executed between the company and AP High Grade Steels Limited as on 31<sup>st</sup> March, 2020, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and District Collector, YSR Kadapa district, an amount of Rs.3.00 crores have been provided towards provision for doubtful advance.

#### **52. Loan to M/s. Thriveni Earth Movers Private Limited**

During the year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private Limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and



other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35 Crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory, the corporation release an amount of Rs.30 Crores on March 18, 2020, against the bank guarantee. This amount to be deducted in 13 instalments from the ongoing bills, with the applicable prevailing interest rates.

### 53. Non valuation of Inventory

#### a. C+D+W Grade of Barytes

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (50.19 lakhs MTs) is considered without value.

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS Contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year

As per the terms and conditions of the agreement with RCS Contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the year, the company terminated the contract with the RCS Contractor for violation of the mining rules, and the contractor handed over the stock of 2.13 lakh MT (including 2.128 lakhs MT of 2<sup>nd</sup> Grade), which the company has not valued.

### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	143.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31



5	Srikakulam	8.04
6	Sullyari	12,98.00
7	Madanpur	7,13.95
<b>Total</b>		<b>25,56.86</b>

## 55. Additional Information

### 55.1 Particulars of consumption of raw material

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	8,191	100.00	18,458	100.00
<b>Total</b>	<b>8,191</b>	<b>100.00</b>	<b>18,458</b>	<b>100.00</b>

### 55.2 Particulars of consumption of stores & spares

Particulars	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	10,126	100.00	15,891	100.00
<b>Total</b>	<b>10,126</b>	<b>100.00</b>	<b>15,891</b>	<b>100.00</b>

## 56. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November, 2022 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019, the board of directors of the company in their meeting held on 21<sup>st</sup> October, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2019. The reported amounts as on 31<sup>st</sup> march, 2020 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.



### 57. Ind AS 116 Leases

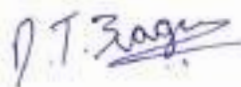
Ministry of corporate Affairs has notified "The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia include the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the April 1, 2019. The company has applied the standard to its leases using modified retrospective approach and comparative information is not restated.

This has resulted in the recognising of Right-of-Use Assets of Rs.24,478/- thousands with a corresponding lease liability of Rs. 27,526/- thousands and the difference of Rs. 3,048/- has been adjusted to the opening equity (retained earnings) as of April 01, 2019. The impact on profit for the period is not material.

### 58. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325



Dondeti Teja Sagar  
Partner  
Mem No.227878



Place: Visakhapatnam  
Date: 22nd September 2023

UDIN: 23227878 BGQLSR9421

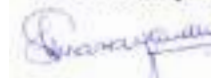
for and on behalf of the board of directors




V.G.Venkata Reddy

VC&MD  
DIN:08805525

Raman Narayanan

  
Director  
DIN:10267130

  
A. Nageswara Reddy  
General Manager-T & A

Place: Vijayawada  
Date: August 22, 2023





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

We do not express an opinion on accompanying Consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

#### **Basis for Disclaimer of Opinion**

- i) We draw attention to Note No: - 45 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2020 and further reasons as detailed in Note No 45, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCCL suiyari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	16.00%





13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Disclaimer Opinion (As stated in the report of standalone financial statements):

- a) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO Issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial Liability(non-current)	53,66,24,781	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,29,26,10,396	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	96,05,88,230	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,77,16,901	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,10,06,81,527	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,18,93,95,110	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	14,46,17,175	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,06,98,23,137	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,59,53,935	Dr



10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	37,26,68,937	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	59,65,219	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	9,38,54,941	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	2,29,30,827	Dr
14	Int. on Fixed Deposits	26	Other Income	45,57,34,035	Cr
15	Int. on FD kept for BG	26	Other Income	1,01,96,036	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	7,03,23,604	Cr
17	Int on Sweep account SBIkh	26	Other Income	51,53,011	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,49,78,581	Dr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2020 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2020 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2020 (in Rs.)
Adv.to EE Panch.Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,15,76,37,861
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

v) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Property, Plant and Equipment have not been physically verified during the year. Further, in respect of additions to Property, Plant and Equipment during the year, no supporting documents are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences



such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. The date of capitalization has been taken as 1<sup>st</sup> February 2020 for which no supporting has been provided. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.

- vi) Inventories consists of Finished Goods amounting to Rs. 77,34,84,215 and Stores and Spares amounting to Rs. 1,31,36,227 as on 31<sup>st</sup> March 2020. However, physical verification of inventories could not be conducted during the year. Accordingly, their existence and usability could not be ascertained. Any financial impact on account of differences arising out of physical verification of inventories also could not be ascertained. Further in respect of Stores and Spares Item wise ledgers have not been provided for verification. No records are made available regarding valuation of inventories on weighted average cost or net realisable value basis in respect of stores and spares. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- vii) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- viii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 47.53 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- ix) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- x) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the





books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements

- xi) The Holding company has Trade Receivables balance amounting to Rs. 186.76 Crores and advance from customers amounting to Rs. 8.91 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 186.76 Crores and Advance from Customers amounting to Rs. 8.91 crores have not been obtained. Considering non confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xii) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.K. maraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sn R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xiii) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State FiberNet Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19 and Financial Year 2019-20 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiv) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated financial statements.
- xv) The Holding company has accounted for interest on credit sales amounting to Rs. 3.07 crores and Penalty Receipts from buyers amounting to Rs. 0.83 crores for the financial year 2019-20. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying



interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2020 has not been recognised which is not in line with the accounting policy followed by the Holding company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2020. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.

xvi) Balance in Suspense Account amounting to Rs. 37,12,449 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.

xvii) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,

a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.

b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Holding Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. As per the financial statements for Financial Year 2019-20, Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology upto 31<sup>st</sup> March 2020 has been accounted for 83,07,052 MTs whereas the Total Sand Excavation Charges billed by the Contractor to the Holding Company upto 31<sup>st</sup> March 2020 has been accounted for 76,63,936 MTs. The reason for





variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.

- c) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometre (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Holding Company with the Transporters. The transportation charges payable has to be derived based on the Kilometres as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometres certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometres as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. It has been informed to us that Internal Transport Charges receivable from Director of Mines and Geology are also at the same kilometres and rate per kilometre but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Internal Transportation Income has been accounted for Rs. 78,68,83,041 whereas Internal Transportation Expense has been accounted for Rs. 107,95,37,457. The reason for difference between Income and Expenditure in an Internal Transportation Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- d) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. It has been informed to us that Door Delivery Transport Charges receivable from Director of Mines and Geology are also at the same rates but however, no supporting has been provided to support the claim. As per the financial statements for Financial Year 2019-20, Sand Transportation Door Delivery Income has been accounted for Rs. 85,35,79,638 whereas Sand Transportation Door Delivery Expense has been accounted for Rs. 77,52,27,226. The reason for difference between Income and Expenditure in a Door Delivery Transaction where rates for both are same could not be explained by the Management. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.



- e) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supportings are not available for verification, the details of which are as follows:
- 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN.etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
  - 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.
  - 4) As per page 1 of note for approval pertaining to boatsmen society payments of the West Godavari district, 355323 MTs were dispatched from 1-10-2019 to 21-11-2019 based on a letter dated 18-11-2019 from the District Collector, West Godavari. The above quantity amounts to boatsmen excavation charges of Rs.7,49,73,153. Of the above amount Rs.5,42,34,000 was directly credited to Collectors account by Department of Mines and Geology and has been accordingly adjusted to boatsmen charges payable West Godavari. The payments for the above period were handled directly by the District Collector. The Holding Company has not deducted statutory deductions such as TDS, TDS GST.etc. on the above payment. However, the records pertaining to the above claim including the letter received from district collector, the evidences pertaining to payments made by District Collector to Boatsmen on behalf of the Holding company have not been provided for our verification.
  - 5) The Excavation Charges payments to Boatsmen Society in respect of the months from September 2019 to January 2020 were partly looked after by the respective District Collector. The details of such payments, the expenditure to be booked in the Holding company books for the period looked after by District Collector and the statutory deductions on such payments such as TDS, GST TDS are not available on record.
  - 6) The DSO/District Collector confirmations in respect of 745746 MT's amounting to Rs.16,16,66,674 of Sand excavated by Sand Boatsmen Societies are not available on record.
  - 7) As per the financial statements for Financial Year 2019-20, Agency Income on account of Excavation by Sand Boatsman has been accounted for 18,95,192 MTs whereas Sand Boatsmen Excavation Charges Expenses has been accounted for 14,24,707 MTs. The



reason for variation between Quantity booked in Income and Quantity booked in Expenditure could not be explained by the Management.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- f) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- g) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Holding Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2019-20. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2020.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.





## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

## **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018 and March 31, 2019 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November 2022 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018 and March 31, 2019, the Board of Directors of the Holding Company in their meeting held on 22<sup>nd</sup> August 2023 approved the financial statements for the year ended March 31, 2020. Consequently, we have conducted our audit for the year ended March 31, 2020 and March 31, 2019 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2019 and March 31, 2018 respectively. The



reported amounts as on March 31, 2020 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018 and March 31, 2019 and subsequent approval at the Annual General Meetings.

We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 59.38 lakhs for the year ended March 31, 2020 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

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

1. As required by Section 143 (3) of the Act, we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Holding company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse affect on the functioning of the Group.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.





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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements. Refer Note 36 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Visakhapatnam

Date: 22<sup>nd</sup> September 2023



For Sriramamurthy & Co  
Chartered Accountants

FRN 0030325

*D.T. Sagar*

CA. D. TEJA SAGAR  
Partner

Mem No: 227878

UDIN: 23227878 BGQLSS1482

## **Annexure - A to the Independent Auditors' Report**

[Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2020]

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding company included in the Group are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the internal control over financial reporting criteria established by the Companies/Entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding company.

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

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



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

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2020

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.



- f) In respect of sand operations of the Holding company,
- The Holding company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - Periodic Reconciliation of Bank Balances have not been done.
  - Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.
  - Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, EMD/PSD register, register of contractors and register of tender schedules sold.

#### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Holding Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding company as at March 31, 2020 and the disclaimer has affected our opinion on the Consolidated financial statements of the Holding company and we have issued a Disclaimer of opinion on the Consolidated financial statements of the Holding company.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S  
  
CA. D. TEJA SAGAR  
Partner  
Mem No: 227878

UDIN: 23227878 BGT LSS1482



# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.





2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there is no Public Deposit Account in the name of the Holding Company.</p>



	not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has not physically verified the inventory and stores and spares in FY 2019-20. Hence, the details pertaining to shortage/excess found and deterioration/obsolescence in the quality have not been available and consequently, we are unable to comment upon the same.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.



12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023

For Sriramamurthy & Co  
Chartered Accountants  
FRN 003032S

  
CA. D. TEJA SAGAR  
Partner  
Mem No: 227678

UDIN: 23227878 BGQLSS1482

The Andhra Pradesh Financial Development Corporation Limited

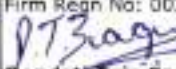
Consolidated Balance sheet as at March 31, 2020

All amounts are in thousands, unless otherwise stated

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	1,51,980	4,50,772
Right-of-use Assets	2	20,520	-
Capital work in progress	9	19,650	-
Other intangible assets	3	66,561	2,854
Intangible assets under development	3	62,71,043	57,97,120
<b>Financial assets</b>			
Investments	4	11,312	5,368
Loans	5	5,55,009	8,18,722
Other financial assets	6	79,52,231	76,13,386
Deferred tax assets (net)	7	2,19,125	1,08,896
Non-current tax assets	8	8,65,414	6,57,675
Other non-current assets	9	29,76,834	23,51,901
<b>Total Non-current assets</b>		<b>1,97,28,244</b>	<b>1,78,56,688</b>
<b>Current assets</b>			
Inventories	10	7,85,821	3,20,547
<b>Financial assets</b>			
Trade receivables	11	14,89,534	14,15,504
Cash and cash equivalents	12	17,10,993	6,17,930
Other bank balances	13	5,55,894	-
Loans	13	32,47,289	22,01,622
Other financial assets	14	1,99,805	2,47,930
Other current assets	15	2,53,239	3,64,484
<b>Total Current assets</b>		<b>83,40,674</b>	<b>57,68,017</b>
<b>TOTAL ASSETS</b>		<b>2,80,68,918</b>	<b>2,36,24,706</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	2,20,56,284	1,86,08,171
<b>Total Equity</b>		<b>2,21,19,146</b>	<b>1,86,71,233</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	30,73,179	27,81,670
Provisions	19	1,06,041	54,065
Other non-current liabilities	20	25,432	75,232
<b>Total Non-current Liabilities</b>		<b>32,04,652</b>	<b>29,11,967</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	8,64,306	1,34,637
Other financial liabilities	22	8,24,948	5,59,269
Other current liabilities	23	4,84,221	5,93,302
Current tax liabilities	24	5,69,635	7,01,246
<b>Total Current Liabilities</b>		<b>27,43,110</b>	<b>20,88,505</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,80,68,918</b>	<b>2,36,24,706</b>
Notes to financial statements	1-59		

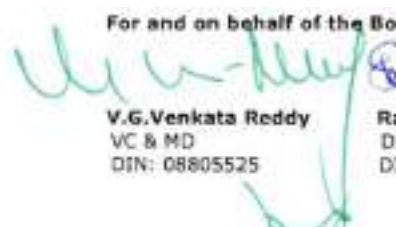
The accompanying notes are an integral part of these consolidated financial statements


As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325  
  
**Dondeti Teja Sagar**  
Partner  
Mem No.227878



For and on behalf of the Board of Directors

  
**V.G.Venkata Reddy**  
VC & MD  
DIN: 08805525

  
**Raman Narayanan**  
Director  
DIN: 10267130

  
**A.Nageswara Reddy**  
General Manager - F&A



Place : Vijayawada  
Date : August 22, 2023

UDIN: 23227878 BGALSS1482

Place : Visakhapatnam

Date : 22<sup>nd</sup> September 2023

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2020  
All amounts are in thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	25	1,32,96,911	86,21,521
Other income	26	1,75,977	7,86,188
<b>Total Income</b>		<b>1,40,72,888</b>	<b>94,07,709</b>
<b>Expenses</b>			
Cost of materials consumed	27	8,151	18,458
Change in inventories of finished goods	28	1,40,945	(89,437)
Employee benefits expense	29	3,37,799	3,97,585
Finance costs	30	11,098	38,703
Depreciation and amortization expense	31	81,561	56,901
Power and fuel	32	41,748	54,483
Excavation & transport charges	33	26,13,136	17,13,825
Other expenses	34	60,92,312	19,17,063
<b>Total Expenses</b>		<b>93,26,787</b>	<b>41,08,580</b>
Profit before exceptional items and tax		47,46,101	52,99,129
Add : Exceptional items (Net)		-	-
Profit before tax		47,46,101	52,99,129
Share of Profit/(loss) of joint venture		5,938	(15,011)
Less : Tax expense/(benefit)			
Current tax	35	14,14,594	19,88,586
Deferred tax	36	(1,10,184)	(21,588)
<b>Total tax expense/(benefit)</b>		<b>13,04,409</b>	<b>19,67,398</b>
Profit for the year from continuing operations		34,47,629	33,16,720
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
Net Profit from discontinuing operations		-	-
<b>Profit after the tax for the year (A)</b>		<b>34,47,629</b>	<b>33,16,720</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		3,279	1,371
Items that will not be reclassified to profit or loss of JV		7	119
Income tax on above items		46	(25)
<b>Total other comprehensive income for the year (B)</b>		<b>3,332</b>	<b>1,465</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>34,50,961</b>	<b>33,18,185</b>
Earnings per equity share (in Rs) - [Nominal value of share Rs.1000 /-]			
- Basic	41	54,670.47	52,594.58
- Diluted		54,670.47	52,594.58
Notes to financial statements	1-59		

The accompanying notes are an integral part of these consolidated financial statements

As per our report

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*D. T. Sagar*  
Dondeti Teja Sagar  
Partner  
Mem No.227878



For and on behalf of the Board of Directors

*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*Raman Narayanan*  
Raman Narayanan  
Director  
DIN: 10267130

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A



Place : Vijayawada  
Date : August 22, 2023

VDIN: 23227878 BG ALSSIM82

Place : Visakhapatnam

Date : 22<sup>nd</sup> September 2023



**Balance Sheet as at March 31, 2020**

Statement of Changes in equity for the year ended March 31, 2020

**A. Equity share capital**

Particulars	No. of Shares	(Rs. in '000's)
Balance as at April 1, 2018	63,062	63,062
Changes in equity share capital during 2018-19		
Balance as at April 1, 2019	63,062	63,062
Changes in equity share capital during 2019-20		
Balance as at March 31, 2020	63,062	63,062

**B. Other Equity**

(Rs. in '000's)

Particulars	Reserves and Surplus				Other Comprehensive Income			Total
	Capital Reserve	Reserve for bad and Doubtful Debts	Other Reserves [General reserve]	Retained Earnings	Equity Instruments through Other Comprehensive Income	Actual Gains/losses reserve	Deferred tax on OCI items	
Balance as at April 1, 2018	11,000	81,560	17,24,670	1,34,72,757	(5,657)	3,293	2,408	1,32,89,986
Profit for the year	-	-	-	33,16,720	-	-	-	33,16,720
Other Comprehensive Income for the year	-	-	-	-	-	1,460	(25)	1,435
Total comprehensive Income for the year	-	-	-	33,16,720	-	1,435	(25)	33,17,920
Transfer to reserve for bad and doubtful debts	-	(452)	-	452	-	-	-	-
Transfer to other comprehensive income reserves	-	-	-	-	-	5,417	(5,417)	-
Balance as at March 31, 2019	11,000	81,108	17,24,670	1,67,89,928	(5,657)	10,138	(3,036)	1,86,98,171
Adjustment for lease rentals under IND AS 116	-	-	-	(3,048)	-	-	-	(3,048)
Balance as at April 01, 2019	11,000	81,108	17,24,670	1,67,86,880	(5,657)	10,138	(3,036)	1,86,95,123
Profit for the year	-	-	-	34,47,620	-	-	-	34,47,620
Other Comprehensive Income for the year	-	-	-	-	-	1,286	46	1,332
Total comprehensive Income for the year	-	-	-	34,47,620	-	1,286	46	34,50,552
Transfer to reserve for bad and doubtful debts	-	4,219	-	(1,248)	-	-	-	-
Balance as at March 31, 2020	11,000	85,356	17,24,670	2,02,50,262	(5,657)	11,444	(2,990)	2,20,57,079

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

*P.T. Sagar*  
Dandeti Teja Sagar  
Partner  
Mem No 227878



*V.G. Venkata Reddy*  
V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

*Raman Narayanan*  
Raman Narayanan  
Director  
DIN: 00267130

*A. Nageswara Reddy*  
A. Nageswara Reddy  
General Manager - F&A

Place : Vijayawada  
Date : August 22, 2023



Place : Visakhapatnam

Date : 22<sup>nd</sup> September 2023

UDIN: 23223878BGLSS1482

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Cash flow statement for the year ended March 31, 2023  
All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash Flow from Operating Activities</b>		
Profit before tax from continuing operations	47,32,048	52,81,118
Adjustments for:		
Interest expense	1,186	34,477
Unwinding of discounting on provisions	9,912	7,772
Interest income	(8,90,843)	(7,59,911)
Depreciation and amortisation expense	81,561	56,902
Provision for bad & doubtful debts	3,20,303	29,542
Provision for bad & doubtful advances	2,22,925	30,838
Liabilities no longer required written back	(46,591)	(4,638)
Operating profit before working capital changes	46,50,483	46,04,099
Adjustments for:		
Increase/(decrease) in trade payables	6,55,140	(55,994)
Increase/(decrease) in provisions	91,334	(4,739)
Increase/(decrease) in other financial liabilities	6,75,104	6,18,258
Increase/(decrease) in other liabilities	(7,36,175)	(862)
Decrease/(increase) in trade receivables	(7,94,430)	(12,660)
Decrease/(increase) in inventories	1,34,726	(83,606)
Decrease/(increase) in other assets	(6,82,875)	(5,33,410)
Decrease/(increase) in other financial assets	(5,77,809)	(4,51,504)
Cash generated from operations	42,26,105	41,41,491
Direct taxes paid (net of refunds)	17,73,990	14,95,417
Net cash flow from/(used in) operating activities (A)	24,52,116	26,46,074
<b>Cash flow from Investing activities</b>		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, CW P and Capital advances	(8,65,263)	(29,10,104)
Movements in other bank balance	(5,53,894)	24,14,702
Loans repaid / Given to others	(5,88,500)	(24,00,000)
Loans repaid / Given to staff	(32,391)	(4,869)
Interest received	6,90,623	7,59,911
Net cash flow from/(used in) investing activities (B)	(13,49,805)	(21,43,361)
<b>Cash flow from Financing activities</b>		
Interest paid	(1,186)	(34,477)
Payment of lease liability	(8,562)	
Net cash flow from/(used in) financing activities (C)	(9,249)	(34,477)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	10,93,062	4,68,236
Cash and cash equivalents at the beginning of the year	6,17,930	1,49,695
Cash and cash equivalents at the end of the year	17,10,992	6,17,930
<b>Components of cash and cash equivalents</b>		
Cash on hand	609	104
Balances with scheduled banks		
With Current Accounts	17,10,383	6,17,826
Total cash and cash equivalents (Note 12.1)	17,10,992	6,17,930

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS - 7

As per our report

For and on behalf of the Board of Directors

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No: 0030325

P.T. Sagar  
Dondeti Teja Sagar  
Partner  
Mem No. 227878



V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place: Vijayawada  
Date: August 22, 2023

UDIN: 23227878B6QLSS1487

Place: Visakhapatnam  
Date: 22<sup>nd</sup> September 2023



## Notes to the Consolidated Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant Accounting Policies

#### a. Statement of Compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The Consolidated Financial Statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-Group balances and intra-Group transactions resulting in unrealised profits or losses, in accordance with Indian Accounting Standard 110 - "Consolidated Financial Statements"
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, Non-Controlling Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies.
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.
- VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**c. Functional and presentation currency**

The Consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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





### **Formulation of Accounting Policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.





All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the Group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, Plant and Equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the Statement of Profit and Loss.

Depreciation is provided for Property, Plant and Equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment/ Group's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.



At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

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





**Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply





when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in Statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, Contingent Liabilities and Contingent Assets**

**Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.



Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 Lakh per hectare for category A mines and Rs. 2 lakhs per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Group has to maintain Stripping Ratio as per the Mining Plan every year. Accordingly, provision has to be made for the shortfall in the quantity of Overburden not removed as per the ratio of the Mining Plan. Mining Plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated Mining Plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the Stripping Ratio as per Mining Plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent Assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the Board of Directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.



**r. Leases**

The group has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for Buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.





**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - Subsequent Measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial Assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.





**iv. De-recognition of financial assets**

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

**Financial liabilities – Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Group de-recognizes financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- researching and analysing existing exploration data;



- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and/or
- compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company



**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use asset for the year ended March 31, 2020

Note -3

Particulars	Gross block				Accumulated Depreciation/Amortisation			Net block		
	Cost as at April 1, 2019	Additions	Disposals/ adjustments/tr transfer	Cost as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation for the Year	Disposal/ Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2020	Net Block as at March 31, 2020	Net Block as at March 31, 2019
Free hold land	2,78,926	1,412	-	2,80,337	-	-	-	-	2,80,337	2,78,926
Buildings	47,547	155	-	47,702	16,184	3,758	-	19,942	27,760	27,563
Plant and machinery	1,78,014	1,21,509	-	2,99,523	66,865	28,810	-	95,675	2,03,848	1,11,149
Furniture & fixtures	17,180	1,848	-	19,028	6,278	1,145	-	7,423	11,605	10,902
Vehicles	9,146	10,452	-	19,598	7,091	1,946	-	9,037	10,561	7,055
Office equipment	21,197	1,79,660	-	2,00,857	12,846	18,169	-	31,005	1,69,852	8,361
Mining and equipment	68,797	2,104	-	70,901	40,119	6,413	-	46,532	24,369	28,478
Data processing equipment	15,035	3,440	-	18,475	13,075	1,772	-	14,848	3,627	1,959
Tent & huts	2,934	197	-	3,131	2,649	241	-	2,790	341	385
Lease hold improvements	24,679	771	-	25,450	13,784	6,146	-	19,930	5,520	11,294
<b>Total</b>	<b>6,59,454</b>	<b>3,21,548</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>70,340</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,772</b>
Less: Depreciation captured during the year	-	-	-	-	-	475	-	-	-	-
<b>Total</b>	<b>6,59,454</b>	<b>3,21,548</b>	<b>-</b>	<b>9,81,002</b>	<b>1,78,682</b>	<b>69,865</b>	<b>-</b>	<b>2,49,022</b>	<b>7,31,980</b>	<b>4,80,772</b>
Previous year - 2018-19	5,61,413	1,01,271	3,230	6,59,454	1,25,449	56,462	3,730	1,78,681	4,80,773	4,35,964
<b>LEASED ASSETS</b>	<b>Addition on account of Transition in Ind AS 116 - at April 1, 2019</b>	<b>Additions</b>	<b>Disposals/ adjustments/tr transfer</b>	<b>Cost as at March 31, 2020</b>	<b>Accumulated Depreciation as at April 1, 2019</b>	<b>Depreciation for the Year</b>	<b>Disposal/ Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2020</b>	<b>Net Block as at March 31, 2020</b>	<b>Net Block as at March 31, 2019</b>
Right of use asset	24,478	8,811	-	33,289	-	8,765	-	8,765	24,524	-
<b>Total</b>	<b>24,478</b>	<b>8,811</b>	<b>-</b>	<b>33,289</b>	<b>-</b>	<b>8,765</b>	<b>-</b>	<b>8,765</b>	<b>24,524</b>	<b>-</b>
<b>Other Intangible Assets</b>										
<b>Particulars</b>	<b>Cost as at April 1, 2019</b>	<b>Additions</b>	<b>Disposals/ adjustments/tr transfer</b>	<b>Cost as at March 31, 2020</b>	<b>Accumulated Depreciation as at April 1, 2019</b>	<b>Depreciation for the Year</b>	<b>Disposal/ Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2020</b>	<b>Net Block as at March 31, 2020</b>	<b>Net Block as at March 31, 2019</b>
Computer software	3,353	-	-	3,353	2,165	465	-	2,630	723	1,188
Mining Property	1,976	44,578	-	46,554	270	2,456	-	2,726	43,818	1,706
<b>Total</b>	<b>5,329</b>	<b>44,578</b>	<b>-</b>	<b>49,907</b>	<b>2,435</b>	<b>2,931</b>	<b>-</b>	<b>5,366</b>	<b>44,541</b>	<b>2,894</b>
Previous year - 2018-19	5,157	172	-	5,329	1,612	823	-	2,435	2,894	3,545
<b>Exploration intangible assets under development</b>	<b>57,97,120</b>	<b>4,73,923</b>	<b>-</b>	<b>62,71,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,71,043</b>	<b>57,97,120</b>
Previous year - 2018-19	29,72,252	28,24,868	-	57,97,120	-	-	-	-	57,97,120	29,72,252
<b>Capital work in progress</b>	<b>-</b>	<b>11,830</b>	<b>-</b>	<b>11,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,830</b>	<b>-</b>
Previous year - 2018-19	12,822	-	-	12,822	-	-	-	-	-	12,822



<p>iii. M/s. Polysar Limited (grasses pp-255) (Pvt) Ltd  31,00,000 equity shares (March 31, 2019: 11,00,000) of Rs 100/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>31,000  (11,000)</p>	<p>31,000  (11,000)</p>
<p>iv. M/s. Ganges AP banyas banificution private limited  1,30,000 equity shares (March 31, 2019: 1,30,00) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>13  (13)</p>	<p>13  (13)</p>
<p>v. M/s. Andhra banyas corporation private limited  8,52,500 equity shares (March 31, 2019: 8,52,500) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>8,525  (8,525)</p>	<p>8,525  (8,525)</p>
<p>vi. M/s. Andhra Pradesh iron ore company limited  6,80,000 equity shares (March 31, 2019: 6,80,000) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>68  (68)</p>	<p>68  (68)</p>
<p>vii. M/s. Emerald banyas private limited  4,50,000 equity shares (March 31, 2019: 4,50,000) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>4,500  (4,500)</p>	<p>4,500  (4,500)</p>
<p>viii. M/s. V.V. Minerals private limited  1,10,000 equity shares (March 31, 2019: 1,10,000) of Rs 10/- each fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>110  (110)</p>	<p>110  (110)</p>
<p>Investments measured at amortised cost  Investment in Government Securities (Unquoted)  Less: Provision made for doubtful investment</p>	<p>7,133  (7,087)  5,388</p>	<p>7,133  (7,087)  5,388</p>
<p>Aggregate amount of quoted investments - Market value  Aggregate amount of quoted investments - Book value  Aggregate amount of unquoted investments  Aggregate amount of investment  Aggregate Provision made for doubtful investment</p>	<p>-  -  13,313  57,512  7,087</p>	<p>-  -  5,368  57,612  7,087</p>
<p>5. Loans (Non-current)</p>	<p>As at March 31, 2020</p>	<p>As at March 31, 2019</p>
<p>Debitly with others  Unsecured, considered good  Unsecured, considered doubtful  Less: Provision for doubtful debts  Loans to others  Unsecured, considered good  Loan to NP State Mineral Limited - Refer Note 49  Borrow and advances to employees  Unsecured, considered good  Unsecured, considered doubtful  Less: Allowance for bad and doubtful debts</p>	<p>10,382  9,869  (9,154)  5,50,000  35,327  654  (854)</p>	<p>9,570  9,144  (9,359)  8,00,000  3,201  256  (256)</p>
<p>Total</p>	<p>5,95,409</p>	<p>8,18,772</p>
<p>6. Other Financial Assets (Non-Current)</p>	<p>As at March 31, 2020</p>	<p>As at March 31, 2019</p>
<p>Unsecured, considered good - Refer note 48  Balance in current accounts (Interest)  Long term bank deposits  Sweep accounts  Unsecured, considered doubtful  Balance in post office savings account  Less: Provision for doubtful</p>	<p>17,412  78,56,855  75,954  4,042  (4,042)</p>	<p>10,010  75,39,808  75,546  4,341  (4,341)</p>
<p>Total</p>	<p>78,53,333</p>	<p>78,25,366</p>





7		As at	As at
Deferred tax asset (Net)		March 31, 2020	March 31, 2019
Deferred tax asset			
Property, plant & equipment		4,399	16,523
Impact of expenditures charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis		2,335	4,860
Provision for depreciable assets		26,685	18,893
Provision for lease liability / assets		867	
Provision for bad & doubtful debts, investments & advances		3,87,453	10,185
Total Deferred tax asset		2,21,683	1,31,499
Deferred tax liability			
Investment		(2,517)	(2,563)
Total deferred tax liability		(2,517)	(2,563)
Net Deferred tax asset		2,19,166	1,28,936

8		As at	As at
Non-current tax assets		March 31, 2020	March 31, 2020
Income Tax			
Corporate tax receivable		8,85,414	6,57,639
Total		8,85,414	6,57,639

9		As at	As at
Other non-current assets		March 31, 2020	March 31, 2019
A) Capital advances			
Unsecured, considered good		2,32,387	2,79,387
Unsecured, considered doubtful		25,023	26,023
Provision for doubtful advances		(25,023)	(26,023)
		2,32,387	2,79,387
B) Advances other than capital advances			
Unsecured, considered good		87,90,394	11,38,240
Unsecured, considered doubtful		88,891	59,031
Less: Provision for doubtful advances		(88,891)	(59,031)
		13,90,394	12,38,240
C) Others - Specified			
Unsecured, considered good		13,45,865	8,80,256
Unsecured, considered doubtful		1,38,875	10,577
Less: Provision for doubtful advances		(1,98,875)	(10,577)
Prepaid expenses		658	4,018
		13,46,513	8,84,274
Total		29,78,834	23,61,901

10		As at	As at
Inventories		March 31, 2020	March 31, 2019
Finished Goods		7,73,484	9,14,420
Less: Provision for obsolete stock		(799)	(799)
Stores and spares		33,136	6,938
Total		7,85,821	9,20,549



13	Trade receivables (Current)	As at March 31, 2020	As at March 31, 2019
	Unsecured, considered good	14,89,634	14,15,504
	Unsecured, considered credit impaired	3,77,963	57,659
	Less: Impairment allowance for doubtful debts	(3,77,963)	(57,659)
	Total	14,89,634	14,15,504
12	Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
	Cash and cash equivalents		
	Balance with banks		
	in current accounts	17,10,101	6,17,326
	Cash on hand	609	104
	(A)	17,10,710	6,17,430
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	5,53,894	-
	(B)	5,53,894	-
	Total	22,64,604	6,17,430
13	Loans (current)	As at March 31, 2020	As at March 31, 2019
	Loans to others		
	Unsecured, considered good		
	Loan to A.P. Mita Finance Limited & Machilipatnam Urban Development Authority - Refer Note: 45 & 50	24,50,000	22,00,000
	Others - Refer Note: 53	9,88,500	-
	Loans and Advances to Employees		
	Unsecured, considered good	6,288	3,622
	Total	30,44,788	22,03,622
14	Other financial assets (Current)	As at March 31, 2020	As at March 31, 2019
	Deposits with others		
	Unsecured, considered good	-	50
	Advances receivable in cash		
	Unsecured, considered good	3,315	-
	Interest accrued on deposits		
	Unsecured, considered good	4,96,100	2,47,880
	Unsecured, considered doubtful	4,592	4,592
	Less: Provision made	(4,592)	(4,592)
	Total	4,98,803	2,47,930
15	Other current assets	As at March 31, 2020	As at March 31, 2019
	A) Advances recoverable		
	Unsecured, considered good	87,322	8,329
		87,322	8,329
	B) Others - Specified		
	Unsecured, considered good		
	Balance with statutory authorities	1,26,672	2,06,656
	Prepaid expenses	60,249	42,903
	Others	34,556	14,585
	Total	2,15,987	3,36,294
		2,93,219	3,64,434



16	Equity Share Capital	As at March 31, 2020	As at March 31, 2019
	Authorized share capital: 1,00,000 equity shares of Rs 1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs 1000/- each)	1,00,000 1,00,000	1,00,000 1,00,000
	Issued, subscribed and fully paid up Share Capital: 63,062 equity shares of Rs 1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs 1000/- each)	63,062 63,062	63,062 63,062
<b>16.1 Additional notes</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at March 31, 2020	As at March 31, 2019
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2 Rights, preferences and restrictions attached to Equity Shares</b>			
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the shareholder	As at March 31, 2020	As at March 31, 2019
	Governor of the Andhra Pradesh represented by Assistant Secretary to Government (Mines, Industries & Commercial Department)	53,059 (1.00%)	63,059 (1.00%)
<b>17</b>			
	Other equity	As at March 31, 2020	As at March 31, 2019
	Capital Reserve		
	From the equity shares for consideration other than cash a total of		
	i. M/S. Sowam Mineral Development Private Limited 15,400 equity shares (March 31, 2019 - 15,400) of Rs 10/- each fully paid up	650 650	650 650
	Less: Provision made for diminution in the value of shares	(650)	(45,00)
	ii. M/S SRAP Minerals Private Limited 3,25,000 equity shares (March 31, 2019 - 3,25,000) of Rs 10/- each fully paid up	3,250 3,250	3,250 3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	iii. Arham Minerals exports private limited 1,30,000 equity shares (March 31, 2019 - 1,30,000) of Rs 10/- each fully paid up	1,300 1,300	1,300 1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	iv. Irga Minerals exports private limited 1,30,000 equity shares (March 31, 2019 - 1,30,000) of Rs 10/- each fully paid up	1,300 1,300	1,300 1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	v. Mangasree granites exports limited 1,30,000 equity shares (March 31, 2019 - 1,30,000) of Rs 10/- each fully paid up	1,300 1,300	1,100 1,100
	Less: Provision made for diminution in the value of shares	(1,100)	(1,100)
	vi. Ongole Minerals exports private limited 3,25,000 equity shares (March 31, 2019 - 3,25,000) of Rs 10/- each fully paid up	3,250 3,250	3,250 3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)



vi. M/s. gronies private limited 3,25,000 equity shares(March 31, 2019: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vii. M/s. A.P. granites (madurai) private limited 11,00,000 equity shares(March 31, 2019: 11,00,000) of Rs. 10/- each fully paid up	11,000 (11,000)	11,000 (11,000)
viii. M/s. Alliance P.P. black galaxy granite private limited 11,00,000 equity shares(March 31, 2019: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
ix. M/s. Pattavand granite private limited 11,00,000 equity shares(March 31, 2019: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
x. M/s. A.P. coastal sands & metals private limited, 13,000 equity shares(March 31, 2019: 13,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
xi. M/s. Dimple iron ore mining company private limited 56,100 equity shares(March 31, 2019: 56,100) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)
xii. M/s. Dimple AP barytes beneficiation private limited 1,120 equity shares(March 31, 2019: 1,120) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	11 (11)	11 (11)
xiii. M/s. Ancho baryte corporation private limited 8,52,500 equity shares(March 31, 2019: 8,52,500) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xiv. M/s. Ancho Prodetech iron ore company limited 6,650 equity shares(March 31, 2019: 6,650) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	66 (66)	66 (66)
xv. M/s. Times barite private limited 4,50,000 equity shares(March 31, 2019: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xvi. M/s. V.V. Minerals private limited 1,100 equity shares(March 31, 2019: 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
	<b>81,090</b>	<b>81,090</b>
Other comprehensive income		
Opening balance	1,465	
Other comprehensive income for the year	3,332	1,465
Add/Less: Transferred from/to retained earnings		
Closing balance	<b>4,797</b>	<b>1,465</b>
Reserve for bad and doubtful debts		
Opening balance	81,108	81,550
Add/Less: Transferred from/to profit and loss account	4,248	(432)
Closing balance	<b>85,356</b>	<b>81,108</b>
General Reserve		
Opening balance	17,24,670	17,24,670
Impact of transfer to fund 45: 815	(3,048)	
Closing balance	<b>14,21,622</b>	<b>17,24,670</b>



Retained Earnings		
Opening balance	1,67,89,928	1,34,72,757
Add/(Less): Profit for the year	74,47,629	33,16,720
	2,02,37,557	1,67,89,476
Less: Appropriations		
Reserve for bad and doubtful debts	9,344	(452)
Total appropriations	9,344	(452)
Closing Balance	2,02,33,369	1,67,89,928
Total	2,20,54,048	1,86,03,173

#### Nature and purpose of Reserves

##### General Reserve

General Reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used in: meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to trade receivables.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	Other Financial Liabilities (Non-current)	Rs in March 31, 2020	Rs in March 31, 2019
	Expenses Payable Capital structure development	NR,714	64,171
	Deposits	17,400	17,780
	Others	25,87,184	27,00,738
	Total	26,05,298	27,82,689

19	Provisions (Non-current)	Rs in March 31, 2020	Rs in March 31, 2019
	Provision for Others:		
	Provision for decommissioning cost	1,06,041	54,055
	Total	1,06,041	54,055

20	Other Non-current Liabilities	Rs in March 31, 2020	Rs in March 31, 2019
	Others		
	Statutory liabilities	25,492	29,272
	Total	25,492	29,272

21	Trade Payables (Current)	Rs in March 31, 2020	Rs in March 31, 2019
	Trade payables		
	Due to micro enterprises and small enterprises		
	Due to creditors other than micro enterprises and small enterprises	8,64,104	3,84,687
	Total	8,64,104	3,84,687

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.

Particulars	Rs in March 31, 2020	Rs in March 31, 2019
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 14 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 14 of MSMED Act, 2006		

Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.





22	Other Financial Liabilities (Current)		As at	As at
			March 31, 2020	March 31, 2019
	Salaries & other benefits payable		16,543	21,163
	Earned money and security deposits from customers		2,85,761	3,05,724
	Other payable		5,22,643	2,33,381
	Total		8,24,947	5,59,269
23	Other current liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Amounts from customers		89,128	3,64,317
	Statutory liabilities		2,93,391	1,74,375
	Unknown Asset Disposal expense		3,712	-
	Total		6,86,231	5,38,692
24	Current tax liabilities		As at	As at
			March 31, 2020	March 31, 2019
	Provision for income tax		5,09,535	7,31,245
	Total		5,09,535	7,31,245



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2020  
All amounts are in thousands, unless otherwise stated

25	Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
	Sale of products	1,03,28,744	85,75,028
	Sale of services		
	Agency Services	31,19,243	-
	Others	1,48,924	45,032
	Total	1,32,96,911	86,21,522
26	Other Income	For the year ended March 31, 2020	For the year ended March 31, 2019
	Interest income		
	Bank deposits	6,26,123	6,25,728
	Loans	311	287
	Others	55,366	1,33,896
	Other non operating income		
	Rent receipts	661	721
	Forfeiture of security deposit	1,500	18,000
	Sale of tender documents	4,984	2,252
	Liabilities no longer required written back	46,590	4,639
	Penalties on buyers and millers	8,370	-
	Other miscellaneous income	32,070	665
	Total	7,75,977	7,86,189
27	Cost of materials consumed	For the year ended March 31, 2020	For the year ended March 31, 2019
	Packing material	8,193	18,458
	Total	8,193	18,458
28	Changes in Inventories of Finished goods	For the year ended March 31, 2020	For the year ended March 31, 2019
	a) Opening stock of Finished Goods	5,14,429	5,15,992
		9,14,429	8,25,992
	b) Closing stock of Finished Goods	7,73,484	5,14,029
		7,73,484	9,14,829
	Changes in Inventories of Finished Goods	1,40,945	(88,437)
29	Employee benefits expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Salaries and wages	2,60,365	3,20,655
	Contribution to provident fund and other funds	48,443	51,950
	Staff welfare expenses	24,990	24,980
	Total	3,32,798	3,97,585
30	Finance costs	For the year ended March 31, 2020	For the year ended March 31, 2019
	Unwinding of discount on provision	9,912	4,225
	Interest	1,186	34,477
	Total	11,098	38,703



31	Depreciation and amortization expense	For the year ended March 31, 2020	For the year ended March 31, 2019
	Depreciation of Plant, Property and Equipment	72,330	55,157
	Amortization of intangible assets	465	744
	Depreciation on Right of use assets	3,765	-
	<b>Total</b>	<b>81,561</b>	<b>56,901</b>
32	Power and fuel	For the year ended March 31, 2020	For the year ended March 31, 2019
	Power and fuel	41,748	54,483
	<b>Total</b>	<b>41,748</b>	<b>54,483</b>
33	Excavation & transport charges	For the year ended March 31, 2020	For the year ended March 31, 2019
	Excavation & transport charges for run of mine	3,30,964	3,87,895
	Excavation & transport charges for overburden	22,78,171	22,25,930
	<b>Total</b>	<b>26,19,135</b>	<b>26,13,825</b>
34	Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
	Rents	2,681	12,264
	Repairs & maintenance	10,126	15,891
	Insurance	1,153	943
	Rates and taxes		
	Royalty	8,62,948	7,16,362
	DWT	2,54,332	2,14,900
	WMLT	16,955	14,327
	Cess	52,166	46,576
	Other Rates and Taxes	3,46,764	1,31,869
	Other expenses		
	Operating expenses	30,065	30,091
	Expenses for agency services	80,50,874	-
	Discount on sales	82,485	-
	Milling charges	19,140	37,275
	Transport and Wagon loading charges	74,684	91,624
	Selling expenses	96,039	28,574
	New project expenses	3,945	1,534
	Office & general expenses	78,488	67,763
	Payment to auditors (refer note no 34.1)	750	750
	Audit fee for other auditors	450	400
	Printing & stationery	7,740	3,730
	Corporate social responsibility expenses	73,084	75,520
	Remuneration to out sourced services	4,62,023	2,63,117
	Provision for doubtful debts	3,20,300	20,542
	Provision for doubtful advances	7,22,925	30,828
	Data processing charges	7,731	1,542
	Rehabilitation expenses	12,824	9,626
	Donations	13	1,00,000
	Miscellaneous Expenditure	634	2,885
	<b>Total</b>	<b>60,92,311</b>	<b>19,17,063</b>



34.1	Payment to Auditors	For the year ended March 31, 2020	For the year ended March 31, 2019
	Statutory audit fee	750	750
	Total	750	750
35	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:		
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Current tax:		
	Current income tax charge	14,14,594	19,98,586
	Total (a)	14,14,594	19,98,586
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(1,10,184)	(21,588)
	Total (b)	(1,10,184)	(21,588)
	Total	13,04,409	19,67,398
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2020	For the year ended March 31, 2019
	Remeasurement of Defined Benefit Plan Loss/Gain		
	Gratuity	970	(350)
	Leave encashment	2,309	1,721
	Deferred tax on above items	46	(25)
	Total	3,325	1,346
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Profit/(loss) before tax as per statement of profit and loss	47,46,101	52,99,129
	Applicable tax rate as enacted by the relevant Finance Act	25.162 %	34.344 %
	Computed tax expense	11,94,409	18,51,728
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(1,10,184)	(21,588)
	ii) Adjustment due to expenses not considered under T Act		
	a) CSR Expenditure	18,394	26,425
	b) Change in Depreciation	5,418	6,180
	c) Provision for doubtful items	1,36,719	17,934
	d) Other items	59,564	86,700
	Total income tax expense for the year	13,04,409	19,67,398



**36. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2020	As at 31.03.2019
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to Excavation Contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs 1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on Seigniorage Fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		





	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt 29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on selignorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>) Aggregate till end of the previous year</p> <p>i) For the year (net off payment)</p>	<p>51,36,610</p> <p>8,94,026</p>	<p>43,73,675</p> <p>7,62,935</p>
vi	<p>As per the Assessment order issued by the Sales tax / Vat authorities for the years 1998-99 to 2018-19, the total demand raised, deposits made and reaming un paid amount.</p> <p>(Details given below)</p>	<p>57,583</p>	<p>57,583</p>
B	<p>Contingent liability on BG's:</p> <p>Bank Guarantees furnished to different Departments on behalf of the company.</p>	<p>63,00,000</p>	<p>63,00,000</p>



C	Capital commitments in respect of unexecuted contracts.	-	15,128
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2019-2020, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the Assessment order	Deposit made	Unpaid Amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
Less: Share of TSMDC		-	(31,104)	-
Share of APMDC		-	46,860	-
<b>Deposits Made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand Total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,312	-	11,312
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and Cash equivalents	-	-	17,10,993	-	17,10,993
Other Bank balances	-	-	5,53,894	-	5,53,894
Other Financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,329</b>	-	<b>1,58,60,566</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>

As at 31st March, 2019

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- Amortised cost	Financial Liabilities- Amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	5,368	-	5,368
Loans	-	5,802	30,14,542	-	30,20,344
Trade receivables	-	-	14,15,504	-	14,15,504
Cash and Cash equivalents	-	-	6,17,930	-	6,17,930
Other Financial assets	-	-	78,71,316	-	78,71,316
<b>Total</b>	-	<b>5,802</b>	<b>1,29,24,660</b>	-	<b>1,29,30,462</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	1,84,687	1,84,687
Other financial liabilities	-	-	-	33,40,939	33,40,939
<b>Total</b>	-	-	-	<b>35,25,626</b>	<b>35,25,626</b>



### 38. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2019-20	2018-19
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	57,659
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	57,659
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2019-20	2018-19
Ageing	<12 Months	<12 Months
Gross carrying amount	14,89,634	14,15,504
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	14,89,634	14,15,504

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of these risks is explained below:

##### 1. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit	
	2019-20	2018-19
Selling price increase by 5%		
Barytes	5,08,883	4,31,076
Agency services	1,55,962	-
Selling price decrease by 5%		
Barytes	(5,08,883)	(4,31,076)
Agency services	(1,55,962)	-



**b. Packing material price risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Product name: Packing material	(410)	410	(993)	993

**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2019-20		2018-19	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense: Excavation & Transport Charges for run of mine	(15,748)	16,748	(19,395)	19,395
Excavation & Transport Charges for Overburden	(1,13,909)	1,13,909	(66,296)	66,296

**39. Management of Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2020

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>





As at 31st March 2019

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	1,84,687	1,84,687	1,84,687	-
Non-current financial liabilities	27,81,670	27,81,670	-	27,81,670
Current financial liabilities	5,59,269	5,59,269	5,59,269	-
<b>Total</b>	<b>35,25,626</b>	<b>35,25,626</b>	<b>7,43,956</b>	<b>27,81,670</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2020	As at 31-03-2019
Employers contribution to provident fund	8,919	8,838
Employers contribution to pension fund	5,442	5,577

##### B. Defined benefit plans

1. The following table set out the funded status of the Gratuity Plans (funded), Leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019

Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	63,703	57,113	54,884	51,160
Service cost	2,362	2,405	2,072	1,982
Interest expenses	4,457	4,318	4,029	3,863
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(10,930)	(899)	(4,717)	(916)
Remeasurements - actuarial (gains)/losses	(563)	766	(2,074)	(1,206)
<b>Benefit obligations at the end</b>	<b>59,039</b>	<b>63,703</b>	<b>54,194</b>	<b>54,884</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	64,506	48,973	68,073	48,555
Interest income	4,683	4,182	5,807	4,272
Employer contributions	4,026	12,706	19,992	15,923
Benefits payments from plan assets	(12,259)	(1,770)	(5,243)	(1,197)
Actuarial gain / (loss) on plan assets	406	416	235	515
<b>Benefit obligations at the end</b>	<b>61,363</b>	<b>64,507</b>	<b>88,864</b>	<b>68,073</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
PV of obligations at the end of the year	59,039	63,703	54,194	54,884
Fair value of plan assets at the end of the year	61,363	64,507	88,864	68,073
Liability(+)/Asset(-) recognised in the balance sheet	(2,324)	(803)	(34,670)	(13,189)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Service cost	2,362	2,405	2,072	1,982
Interest expenses	(216)	135	(1,778)	(408)
<b>Net expense recognised</b>	<b>2,146</b>	<b>2,541</b>	<b>294</b>	<b>1,574</b>



iv. Amount for the year ended March 31, 2020 and March 31, 2019 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Actuarial (gain)/losses on obligations for the period	(563)	766	(2,074)	(1,206)
Actuarial (gain)/losses on plan assets for the period	(406)	(416)	(235)	(515)
<b>Net expense recognised</b>	<b>(970)</b>	<b>350</b>	<b>(2,309)</b>	<b>(1,721)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Rate of discounting	6.62%	7.67%	6.62%	7.67%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	5.00%	5.00%	5.00%	5.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	58 Years	58 Years	58 Years	58 Years
Adj. average future service	11.42	11.15	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave avallment rate	-	-	2.00%	2.00%

vi. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Expected Cash flow in year 1	22,239	30,539	22,842	26,299
Expected Cash flow in year 2	6,477	3,074	8,451	6,373
Expected Cash flow in year 3	5,995	6,190	6,726	7,166
Expected Cash flow in year 4	6,801	5,732	6,548	5,630
Expected Cash flow in year 5	2,474	6,570	3,706	5,436
Expected Cash flow in year 6	4,062	3,207	3,546	3,109
Expected Cash flow in year 7	4,467	3,895	3,611	2,972
Expected Cash flow in year 8	1,461	4,170	1,646	3,031
Expected Cash flow in year 9	7,323	1,362	2,922	1,341
Expected Cash flow in year 10	2,761	6,890	1,400	2,425



**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on Gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		[% of change]	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Under Base Scenario	59,039	63,703	0.00%	0.00%
Salary Escalation - Up by 1%	61,802	66,358	4.70%	4.20%
Salary Escalation - Down by 1%	56,512	61,259	-4.30%	-3.90%
Withdrawal Rates - Up by 1%	59,362	64,133	0.50%	0.70%
Withdrawal Rates - Down by 1%	58,682	63,231	-0.60%	-0.80%
Discount Rates - Up by 1%	56,933	61,740	-3.60%	-3.10%
Discount Rates - Down by 1%	61,386	65,880	4.00%	3.50%

**viii. Effect on Leave Encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		[% of change]	
	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
Under Base Scenario	54,194	54,884	0.00%	0.00%
Salary Escalation - Up by 1%	55,996	56,622	3.30%	3.10%
Salary Escalation - Down by 1%	52,485	53,231	-3.20%	-3.00%
Withdrawal Rates - Up by 1%	54,317	55,050	0.20%	0.30%
Withdrawal Rates - Down by 1%	54,064	54,707	-0.20%	-0.30%
Discount Rates - Up by 1%	52,914	53,682	-2.40%	-2.20%
Discount Rates - Down by 1%	55,573	56,176	2.50%	2.30%

**(ix). Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**a. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit





payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 41. Earnings per share (EPS)

Particulars	As at 31-03-2020	As at 31-03-2019
Profit after tax before exceptional items	34,47,629	33,16,720
Add: exceptional items	-	-
Profit after tax after exceptional items	34,47,629	33,16,720
Profit available for Equity Shareholders	34,47,629	33,16,720
Weighted number of Equity Shares Outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted Earnings Per Share (In Rupees) – before exceptional item	54,670.47	52,594.58
Basic and diluted Earnings Per Share (In Rupees) – after exceptional item	54,670.47	52,594.58

#### 42. Segment Information

##### i. Description of segment and principal activities

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. Mining and Sand Operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### ii. Segment revenue and expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### iii. Segment assets and liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.





**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs 67,28,557 thousand is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Revenue</b>				
External Revenue *	1,01,77,668	31,19,243	-	1,32,96,910
<b>Total Segment Revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>	<b>-</b>	<b>1,32,96,910</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining Projects	Sand Operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income	-	-	7,27,512	7,27,512
Unallocated expenses and finance cost	-	-	(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
Exceptional Items				
Profit on investment in JV	-	-	5,938	-
<b>Profit before tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(55,295)</b>	<b>47,52,039</b>
Income tax - Current	-	-	14,14,594	14,14,594
Deferred tax	-	-	(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(13,59,705)</b>	<b>34,47,629</b>



Other Information				
Segment Assets **	42,81,513	14,17,756	2,23,67,649	2,80,66,918
Segment Liabilities **	10,25,741	10,88,149	38,33,882	59,47,772
Capital work in progress	-	13,830	-	13,830
Depreciation and amortisation	36,956	21,768	22,836	81,561
Non-Cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667

\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment

1. Segment assets and liabilities are subject to reconciliation

### 43. Related Party Transactions

#### A. List of related parties

Name of the related party	(% of holding)	
	As at 31-03-2020	As at 31-03-2019
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliyan coal company limited	51.00%	51.00%
Neagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRA <sup>2</sup> minerals private limited	26.00%	26.00%
A <sup>2</sup> coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%



**Key Management Personnel:**

Name of the related party	Relation
Sri Ch Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	Vice Chairman & Managing Director
Sri Y. Bharu Prakash, I.A.S (27.06.2019 to 13.09.2019)	Vice Chairman & Managing Director
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet Limited Machilipatnam Urban Development Authority Rayalaseema Steel Corporation Limited AP High Grade Steel Limited	Fellow Government company / Authority

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	90,845
Pallavared granite private limited	41,259

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2020	As at 31-03-2019
Andhra Pradesh granite (Midwest) private limited	1,50,844	1,25,028
Pallavared granite private limited	59,427	41,844
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for Doubtful debts due related parties at the Balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2020	As at 31-03-2019
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	19,726
Pallavared granite private limited	10,744	-

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2020	As at 31-03-2019
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCL Sulyari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
Total	7,679	7,679
Investment derated/provision	7,679	7,679



<b>Investment in joint ventures</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimnax AP barytes beneficiation private limited	13	13
Trimex baryte private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217
<b>Investment in associates</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Sr. Ch.Venkaiah Chowdary, I.R.S(24.08.2015 to 26.06.2019)	355	2,142
Sri Y.Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)	588	-
Sri M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	765	-

**vi. Loan to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
AP state fibernet limited	10,00,000	10,00,000
Machilipatnam urban development authority	20,00,000	20,00,000



**vii. Advance to related parties**

Name of the related party	As at	As at
	31-03-2020	31-03-2019
Rayalaseema steel corporation limited *	32,739	26,095
AP High Grade Steel Limited*	20,000	

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**44. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for Internal Transport and Sand Door Delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the government regarding rates are not available.
  - i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand Boatman Excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal Transportation Services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.





- iv. Door Delivery Transportation Services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of Agency Income and Transportation Income is not available. The same have been initially recognized based on the output from the Code Tree Software. However, the data from Code Tree Software is presently not available and relevant supporting to the Sale Vouchers are also not available. Due to the non-availability of records as explained above, we are unable to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income (83,07,052 MTs) and Quantity booked in Sand Excavation Expenditure (76,63,936 MTs) amounting to 6,43,116 MTs. Similarly, the difference between Internal Transportation Income and Internal Transportation Expense amounting to Rs. 29,27,22,581 could not be reconciled.

- d. Payments to the Sand Excavation, Internal transportation Expense have been based on the certification by the District sand officer/ District Sand In charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s Code Tree Software Solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code Tree was discontinued. Despite several requests, Code Tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the Door Delivery of Sand
- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
- ii. Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
- iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.



- iv. We do not possess the required records to reconcile the difference between the Sand Transportation Door Delivery Income and Sand Transportation Door Delivery Expense, which amounts to Rs. 7,83,52,411/-.
- g. The details of the receipts have not been provided to us by Director of Mines and Geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in Trade Receivable in the name of Director of Mines and Geology amounting to Rs. 20,32,31,193/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. The vouchers nor supporting's were maintained for the bulk payments of Door Delivery of Transportation of Sand and Boatsmen Charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from End Customers directly in our bank account without routing it through Director of Mines and Geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various mode of payments such as DDs, UPIs and Cash directly deposited in our Bank Account. The share owed to Director of Mines and Geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under Unknown Receipts and have been classified as Current Liability due to pending reconciliation with Director of Mines and Geology.
- k. With regards to sand operations through desiltation by Boatsman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
- ii. Since sand transactions were made by the District Administration, the details of the sale transactions are available with them and the same is not available with the company.



- iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
- The District Collector, East Godavari remitted an amount of Rs. 8,51,78,158 on 20th February 2020, which remained in their bank account as on date. As in the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. However, we have not been provided with the details of payments made directly to the boatmen or the receipts from the Director of Mines and Geology (Sand), and therefore, we could not include these transactions in our books due to the lack of records.
  - Regarding West Godavari, sand boatsman entries for the period from 01/10/2019 to 21/11/2019 were processed based on a letter dated 18th November 2019 from the District Collector, amounting to Rs. 7,49,73,153. However, we have not been provided with the details of payments made directly by the boatmen or the receipts from the Director of Mines and Geology (Sand). Additionally, the letter dated 18th November 2019 is currently not available in our records.
  - Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
    - ◆ Sand Boatsmen Excavation Expenses of West Godavari district amounting to Rs.7,56,55,256 for the excavation of 3,61,326 MT's from the period 01-10-2019 to 09-01-2020.
    - ◆ Sand Boatsmen Excavation Expenses of East Godavari district amounting to Rs.8,60,11,418 for the excavation of 3,84,271 MT's from the period 26-11-2019 to 31-03-2020.
- iv. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
- v. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.
- vi. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.



- vii. We do not possess the required records to reconcile the difference between Quantity billed to Director Mines and Geology in Agency Income on account of Excavation of Sand Boatsmen (18,95,192 MTs) and Quantity booked in Sand Boatsmen Excavation Charge Expenses (14,24,707MTs), amounting to 4,70,485 MTs. As In the initial days of operations of the boatsman societies were handled by the districts administration and subsequently handed over to the company, the details of quantities handled by the respective district administrations were not provided to the company. Hence this difference in quantities could not be reconciled.

- I. in view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.

**45. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

Subsidiaries	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Associates	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.



Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Tr mex barite private limited	The company has not commenced the operations and non-operative
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.





**46. Deferred tax asset /(liability)**

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,335	4,860
Provision for decommissioning asset	26,688	18,893
Property, plant and equipment	4,299	16,921
Other provisions	1,88,320	70,785
<b>Total deferred tax asset</b>	<b>221,643</b>	<b>1,11,459</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Investments	2,517	2,563
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,563</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,19,126</b>	<b>1,08,896</b>

**47. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.88,374(Previous Year Rs.80,561).
- b. Amount spent during the year

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Construction/ acquisition of any assets	-	-
Purpose other than above	73,084	75,620

**48. Treatment demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The Demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The Demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.



- g. As per the Demerger Plan, the Assets & Liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC –58.32%
- TSMDC –41.68%

- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019 20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & Liabilities	Common Pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & Surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. Grants	19	11	8
<b>Current/Non-Current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	5,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,027	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & Bank Balances	439	256	183
Fixed Deposits – BG	13,72,772	8,00,600	5,72,171
Other Fixed Deposits	81,62,135	47,60,157	34,01,978
Other Current Assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.78,50,479/- Thousands (Sweep accounts of Rs.75,954 /- and fixed deposits of Rs.77,74,525 /-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the Secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan



agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs. in, Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
Total		100.00

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### 50. Loan to Machilipatnam Urban Development Authority (MUDA)

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### 51. Advance to Rayalaseema steel corporation limited

Company has paid an amount of Rs.3.27 crores to Rayalaseema steel corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed, in view of the uncertainty in realising the





advanced amount, an amount of Rs.3.27 crores have been provided towards provision for doubtful advance.

#### **52. Advance to AP High Grade Steel Limited**

As per the endorsement of Special Chief Secretary, Industries & Commerce Department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to District Collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404th meeting held on 17-07-2020.

Further, no agreement has executed between the company and AP High Grade Steels Limited as on 31<sup>st</sup> March, 2020, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and District Collector, YSR Kadapa district, an amount of Rs.3.00 crores have been provided towards provision for doubtful advance.

#### **53. Loan to M/s. Thriveni Earth Movers Private Limited**

During the year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private Limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35 Crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory so far, the corporation release an amount of Rs.30 Crores on March 18, 2020, against the bank guarantee. This amount to be deducted in 13 instalments from the ongoing bills, with the applicable prevailing interest rates.

#### **54. Non valuation of Inventory**

##### **a. C+D+W Grade of Barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is





recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (50.19 lakhs MTs) is considered without value.

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS Contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS Contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the year, the company terminated the contract with the RCS Contractor for violation of the mining rules, and the contractor handed over the stock of 2.13 lakh MT (including 2.128 lakhs MT of 2<sup>nd</sup> Grade), which the company has not valued.

#### 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	12,98.00
7	Madanpur	7,13.95
Total		25,56.86

#### 56. Additional Information

##### 56.1 Particulars of consumption of raw material

Particulars	(Rs. in. Thousands)			
	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
	Value	Percentage	Value	Percentage
Raw material				
Imported				
Indigenous	8,191	100.00	18,458	100.00
Total	8,191	100.00	18,458	100.00



## 56.2 Particulars of consumption of stores & spares

Particulars	(Rs. In. Thousands)			
	Figures as at the end of 31 <sup>st</sup> March, 2020		Figures as at the end of 31 <sup>st</sup> March, 2019	
Stores & spares	Value	Percentage	Value	Percentage
Imported	-	-	-	-
Indigenous	10,126	100.00	15,891	100.00
<b>Total</b>	<b>10,126</b>	<b>100.00</b>	<b>15,891</b>	<b>100.00</b>

## 57. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022 and 16<sup>th</sup> November, 2022 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019, the board of directors of the company in their meeting held on 21<sup>st</sup> October, 2022 approved the financial statements for the ending 31<sup>st</sup> march, 2019. The reported amounts as on 31<sup>st</sup> march, 2020 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 58. Ind AS 116 Leases

Ministry of corporate Affairs has notified "The Companies (Indian Accounting Standards) Amendment Rules, 2019 dated March 30, 2019 which inter alia include the new standard on Leases Ind AS 116 replacing the existing standard Ind AS 17, to be effective from the April 1, 2019. The company has applied the standard to its leases using modified retrospective approach and comparative information is not restated.

This has resulted in the recognising of Right-of-Use Assets of Rs.24,478/- thousands with a corresponding lease liability of Rs. 27,526/- thousands and the difference of Rs. 3,048/- has been adjusted to the opening equity (retained earnings) as of April 01, 2019. The impact on profit for the period is not material.



## 59. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts and other payables are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to conform to the classification of the current year.
- All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For Sriramamurthy & Co  
Chartered Accountants  
Firm Regn No.0030325

  
Dondeti Teja Sagar  
Partner  
Mem No.227878




for and on behalf of the board of directors

  
V.G.Venkata Reddy

VC&MD  
DIN:08805525

Raman Narayanan

  
Director  
DIN: 10267130

  
A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: August 22, 2023



Place: Visakhapatnam  
Date: 22<sup>nd</sup> September, 2023

UDIN: 23227878 BGQLSS148L



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2021, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements")

We do not express an opinion on accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

#### **Basis for Disclaimer of Opinion**

- i) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	58,47,13,883	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	1,48,36,82,797	Cr





3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	91,24,99,128	Cr
4	APMDC - ISMDC - Advances	9	Other Non-current Assets	21,89,97,218	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,32,86,82,758	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,15,97,96,553	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	19,19,55,752	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,13,41,11,543	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,78,72,936	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	25,04,83,888	Dr
11	Int. Accr. on FDR kept for BG's	14	Other Financial Assets (Current)	45,25,955	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	4,49,14,142	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	3,28,59,913	Dr
14	Int. on Fixed Deposits	26	Other Income	38,14,60,577	Cr
15	Int. on FD kept for BG	26	Other Income	37,02,237	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	3,86,41,314	Cr
17	Int. on Sweep account SBI, Khairatabad	26	Other Income	33,93,823	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,80,07,426	Dr

ii) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2021 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.

iii) The following Ledger balances as on March 31, 2021 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2021 (in Rs.)
Adv.to EE Panch Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDQ Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,16,36,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796





Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

- iv) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supporting's are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.
- v) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vi) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court fees payable amounting to Rs. 67.22 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- vii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- viii) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act.



Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.

- x) The company has Trade Receivables balance amounting to Rs. 142.07 Crores and advance from customers amounting to Rs. 20.20 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 142.07 Crores and Advance from Customers amounting to Rs. 20.20 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.
- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	50,82,476	Dr
2	Sri B.Kurnaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-IV	5,42,81,225	Dr
4	Sr. R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xii) The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Ardhra Pradesh State Fiber Net Limited ("APSFN"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFN has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20 and Financial year 2020-21 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFN are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFN, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



- xiii) The company has accounted for interest on credit sales amounting to Rs. 2.18 crores for the financial year 2020-21. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2021 has not been recognised which is not in line with the accounting policy followed by the company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2021. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xiv) Balance in Suspense Account amounting to Rs. 1,17,75,403 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xv) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
  - b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification.





- c) As per the financial statements for Financial Year 2020-21, no reconciliation has been provided with respect to Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology up to 31<sup>st</sup> March 2021. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- d) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilo meter (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Company with the Transporters. The transportation charges payable has to be derived based on the Kilometers as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometers certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometers as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- e) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- f) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supporting's are not available for verification, the details of which are as follows:
- i. Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.



- ii. Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
- iii. TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- g) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- h) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2020-21. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2021.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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





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

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

#### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matters**

1. The financial statements of the Company for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022 and 22<sup>nd</sup> August 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019 and March 31, 2020, the Board of Directors of the Company in their meeting held on 10<sup>nd</sup> October 2023 approved the financial statements for the year ended March 31, 2021.



Consequently, we have conducted our audit for the year ended March 31, 2021 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2021 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 and subsequent approval at the Annual General Meetings.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Company.
  - f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable, as the Company is a Government Company.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 36 to the Standalone financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



**For Chowdary & Rao  
Chartered Accountants**

FRN 0006563

CA. A.V. Raghava Rao  
Partner

M. No. 200578

UDIN: 23800578BGXUFG9557

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2021)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2021, we report the following:

- (i) In respect of Company's fixed assets
  - a) In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- (ii) Physical verification of Inventory has been conducted by the Management during the year. However, there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we are unable to comment upon the same.
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.
- (iv) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.





- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

S.No	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Tax deducted at Source	2019-20	8,32,824
2	Central Goods and Services Tax, Act	Tax deducted at Source	2019-20	1,29,16,730
3	Income Tax Act	Tax deducted at Source	2018-19	5,01,375
4	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
5	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	90,66,196
6	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2019-21	12,93,66,241
7	Mines and Minerals (Development Regulation Act)	Royalty from Sub-leaseholders	2018-19 to 2019-21	11,32,003

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643





5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99	2,87,647
				1999-00	3,36,253
				2000-01	5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration	Tribunal	2008-09	1,00,47,014
				2008-09	33,49,005
		Penalty Interest		2008-09	6,02,871
8	VAT/Sales Tax	Consideration	Tribunal	2009-12	2,32,95,681
		Penalty		2009-12	83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

- (viii) The Company has no loans or borrowings from financial institutions, bank and Government. The Company has not issued any debentures during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As per Notification GSR 463 [E] dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 of the Companies Act, 2013 are not applicable as the Company is a Government Company. Hence reporting under Clause (xi) of Paragraph 3 of the Order is not applicable.
- (xii) The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause (xiv) of Paragraph 3 of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.



- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Cause (xvi) of Paragraph 3 of the Order is not applicable.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023

For Chowdary & Rao  
Chartered Accountants  
FRN 0006565  
  
CA. A.V. Raghava Rao  
Partner  
M. No :200578  
UDIN: 23200578B6XU49551



## **Annexure - B to the Independent Auditors' Report**

[Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2021]

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and



- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2021.

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting.

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of inventory and Property, Plant and Equipment.
- e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations,
  - i) The company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - ii) Periodic Reconciliation of Bank Balances have not been done.
  - iii) Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.



- iv. Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, FMD/PSD register, register of contractors and register of tender schedules so d.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2021 and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a Disclaimer of opinion on the standalone financial statements of the Company.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 0006565

CA. A.V. Raghava Rao  
Partner  
M. No: 200578

UDIN: 23200578BGXUFG9551



**ANNEXURE-C to the Independent Auditors' Report**

**Report on Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year company has not raised any loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2021.</p>



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment report and as confirmed by the management, no such instances have taken place during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory and stores and spares in FY 2020-21 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2020-21 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2020-21.



13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2020-21 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2020-21.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
15.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 0006505

CA. A.V. Raghava Rao  
Partner  
Mem No: 200578

UDIN: 23200578BGXUFU9551

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone balance sheet as at March 31, 2021

All amounts are in thousands, unless otherwise stated

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,53,019	7,31,980
Right-of-use assets	3	14,382	24,524
Capital work in progress	3	2,405	11,840
Other intangible assets	3	41,430	44,541
Intangible assets under development	3	84,09,918	62,71,043
<b>Financial assets</b>			
Investments	4	11,012	11,027
Loans	5	3,49,124	5,99,409
Other financial assets	6	25,62,186	79,52,731
Deferred tax assets (net)	7	2,61,353	2,19,125
Non-current tax assets	8	8,85,414	8,85,414
Other non-current assets	9	35,57,370	29,76,834
<b>Total non-current assets</b>		<b>2,27,47,513</b>	<b>1,97,25,958</b>
<b>Current assets</b>			
Inventories	10	17,29,180	7,85,821
<b>Financial assets</b>			
Trade receivables	11	10,42,706	14,89,634
Cash and cash equivalents	12	12,32,990	17,16,998
Other bank balances	12	1,02,576	5,53,894
Loans	13	27,11,568	30,47,288
Other financial assets	14	3,11,766	4,99,805
Other current assets	15	13,91,179	2,58,219
<b>Total current assets</b>		<b>85,44,066</b>	<b>83,40,674</b>
<b>TOTAL ASSETS</b>		<b>3,12,91,579</b>	<b>2,80,66,632</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	63,062	63,062
Other equity	17	2,33,78,774	2,20,55,798
<b>Total equity</b>		<b>2,34,41,836</b>	<b>2,21,18,860</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	32,54,943	30,73,179
Provisions	19	1,13,994	1,06,041
Other non-current liabilities	20	25,432	75,432
<b>Total non-current liabilities</b>		<b>33,94,370</b>	<b>32,04,652</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	10,70,340	8,64,306
Other financial liabilities	22	11,51,376	8,74,948
Other current liabilities	23	14,88,053	4,84,231
Current tax liabilities	24	6,44,703	5,69,635
<b>Total current liabilities</b>		<b>44,55,373</b>	<b>27,43,120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,12,91,579</b>	<b>2,80,66,632</b>

Notes to financial statements

1-57

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

A.V. Raghava Rao  
 Partner  
 Mem No.200578



UDIN: 23200578 BGXUF09551.

Place : Vijayawada

Date : October 10, 2023

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
 VC & MD  
 DIN: 08805525

Raman Narayanan  
 Director  
 DIN: 10267130

A.Nageswara Reddy  
 General Manager - F&A





**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2021**  
 A-I amounts are in thousands, unless otherwise stated


Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	25	1,81,80,719	1,32,96,911
Other income	25	5,52,882	7,15,977
<b>Total income</b>		<b>1,87,33,601</b>	<b>1,40,12,888</b>
<b>Expenses</b>			
Cost of materials consumed	27		8,191
Change in inventories of finished goods	28	(9,42,875)	1,40,945
Employee benefits expense	29	3,14,361	3,37,799
Finance costs	30	12,856	11,098
Depreciation and amortization expense	31	1,67,539	81,561
Power and fuel	32	57,965	41,748
Excavation & transport charges	33	28,57,966	26,13,176
Other expenses	34	1,43,60,306	50,92,311
<b>Total expenses</b>		<b>1,68,28,118</b>	<b>93,25,787</b>
<b>Profit before exceptional items and tax</b>		<b>19,04,983</b>	<b>47,46,101</b>
<b>Add : Exceptional items (Net)</b>		<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>19,04,983</b>	<b>47,46,101</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	35	5,13,016	14,14,594
Deferred tax	35	(42,227)	(1,10,184)
<b>Total tax expense/ (benefit)</b>		<b>5,80,789</b>	<b>13,04,409</b>
<b>Profit for the year from continuing operations</b>		<b>13,24,193</b>	<b>34,41,691</b>
Profit from discontinuing operations		-	-
<b>Less : Tax expense of discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>13,24,193</b>	<b>34,41,691</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(1,218)	3,279
Income tax on above items		-	46
<b>Total other comprehensive income for the year (B)</b>		<b>(1,218)</b>	<b>3,325</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>13,22,975</b>	<b>34,45,016</b>
<b>Earnings per equity share (in Rs) -</b> [Nominal value of share Rs.1000/-]			
- Basic	41	20,998.27	54,576.32
- Diluted		20,998.27	54,576.32
<b>Notes to financial statements</b>	1-57		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors


For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

  
A.V. Raghava Rao  
Partner  
Mem No 200478



  
V.G. Venkata Reddy  
VC & MD  
DIN: C8805525

  
Raman Narayanan  
Director  
DIN: 10267130

  
A. Nageswara Reddy  
General Manager - F&A



UDIN: 23200578 BGXUFU 9551  
Place : Vijayawada  
Date : October 10, 2023

## Statement of changes in equity for the year ended March 31, 2023

## Balance Sheet as at March 31, 2023

## A. Equity share capital

Particulars	No. of Shares	(Rs. in '000's) Disposals/ adjustments/ transfer
Balance as at April 1, 2019	63,062	61,352
Changes in equity share capital during 2019-20	-	-
Balance as at April 1, 2020	63,062	61,352
Changes in equity share capital during 2020-21	-	-
Balance as at March 31, 2021	63,062	61,352

## B. Other equity

(Rs. in '000's)

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 1, 2019	11,000	81,108	17,04,981	1,68,18,412	(8,637)	10,039	(3,034)	1,88,13,829
Profit for the year	-	-	-	34,41,092	-	-	-	34,41,092
Other comprehensive income for the year	-	-	-	-	-	3,220	46	3,326
Total comprehensive income for the year	-	-	-	34,41,092	-	3,220	46	34,45,018
Transfer to reserve for bad and doubtful debts	-	4,248	-	(4,248)	-	-	-	-
Adjustment for lease rentals under FAS - 116	-	-	-	(1,348)	-	-	-	(1,348)
Balance as at March 31, 2020	11,000	85,356	17,04,981	2,02,49,156	(8,637)	13,259	(2,988)	2,20,55,799
Profit for the year	-	-	-	13,24,193	-	-	-	13,24,193
Other comprehensive income for the year	-	-	-	-	-	(1,218)	-	(1,218)
Other comprehensive income for the year	-	-	-	13,24,193	-	(1,218)	-	13,22,975
Transfer to reserve for bad and doubtful debts	-	(25,609)	-	25,609	-	-	-	-
Balance as at March 31, 2021	11,000	59,747	17,04,981	2,15,98,612	(8,637)	12,041	(2,988)	2,33,78,774

As per our report of even date.

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

A. Nageswara Reddy  
General Manager - &A

Raman Narayanan  
Director  
DIN: 10267130



UDIN: 23200578 BGXU FU9551

Place : Vijayawada  
Date : October 10, 2023

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone cash flow statement for the year ended March 31, 2021**  
 All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	19,04,985	47,06,101
Adjustments for:		
Interest expense	7,667	1,180
Unwinding of discounting on provisions	10,134	9,912
Interest income	(5,71,674)	(6,81,802)
Depreciation and amortization expense	1,67,538	81,561
Provision for bad & doubtful debts	-	1,23,100
Provision for bad & doubtful advances	90,000	2,22,925
Liabilities no longer required written back	(203)	(46,591)
<b>Operating profit before working capital changes</b>	<b>15,41,543</b>	<b>46,53,592</b>
Adjustments for:		
Increase/(decrease) in trade payables	2,06,034	6,55,140
Increase/(decrease) in provisions	(3,250)	31,934
Increase/(decrease) in other financial liabilities	6,19,585	5,65,249
Increase/(decrease) in other liabilities	10,04,724	(1,52,871)
Decrease/(increase) in trade receivables	4,46,528	(3,94,470)
Decrease/(increase) in inventories	(3,43,459)	1,34,726
Decrease/(increase) in other assets	(18,08,577)	(7,26,612)
Decrease/(increase) in other financial assets	(4,43,916)	(5,83,721)
<b>Cash generated from operations</b>	<b>7,19,605</b>	<b>42,36,008</b>
Direct taxes paid (net of refunds)	5,47,948	17,73,990
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,71,657</b>	<b>24,62,018</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWP and capital advances	(72,02,573)	(8,65,263)
Movements in other bank balance	4,51,718	(5,51,894)
Loans repaid / given to parties	5,88,500	(5,98,500)
Loans repaid / given to staff	(6,255)	(33,853)
Interest received	5,33,630	6,81,802
Proceeds from sale of NSC bonds	15	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6,35,606)</b>	<b>(23,59,707)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(2,662)	(1,186)
Payment of lease liability	(11,392)	(8,662)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(14,054)</b>	<b>(9,248)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(4,78,001)</b>	<b>10,93,063</b>
Cash and cash equivalents at the beginning of the year	17,10,993	6,17,530
<b>Cash and cash equivalents at the end of the year</b>	<b>12,32,990</b>	<b>17,10,993</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	325	609
Balances with scheduled banks		
With current accounts	12,32,665	17,10,383
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>12,32,990</b>	<b>17,10,993</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as per part (ii) of AS - 7

As per our report of even date

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

  
**A.V. Raghava Rao**  
 Partner  
 Mem No. 200578



For and on behalf of the Board of Directors

  
**V.G. Venkata Reddy**  
 VC & MD  
 DIN: 08805525

  
**Raman Narayanan**  
 Director  
 DIN: 10267130

  
**A. Nageswara Reddy**  
 General Manager - F&A



**UDIN: 23200578BGXUFU9551**

Place : Vijayawada

Date : October 10, 2023

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/10, 100 ft road, Kanuru Village, Penamuru Mandal, Vijayawada, Andhra Pradesh 521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.



### **Judgements**

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

### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:

- i. represent faithfully the financial position, financial performance and cash flows of the Company;
- ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
- iii. are neutral, i.e., free from bias;
- iv. are prudent; and
- v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.





**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.



### iii. Dividend

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

### iv. Interest Income

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### g. Property, plant and equipment

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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





The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

**Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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





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

**Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.



Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books.



Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation can not be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.

#### **r. Leases**

The company has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.



The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.





All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.





**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.



A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**II. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**III. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data,
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.



Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**

**Property, plant and equipment, capital work in progress, intangible assets, intangible assets under development, right of use asset for the year ended March 31, 2021**

**Note -5**

Particulars	Cost as at April 1, 2020	Gross block		Accumulated depreciation/amortisation				Net block		
		Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal / adjustments/ Transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Freehold land	2,80,337	-	-	2,80,337	-	-	-	-	2,80,337	2,80,337
Buildings	43,702	-	-	43,702	15,982	2,918	-	22,900	20,802	23,720
Plant and machinery	2,99,523	11,525	-	3,11,048	95,675	29,912	-	1,35,587	1,75,461	2,03,848
Furniture & fixtures	19,048	67	-	19,095	5,421	2,576	-	11,999	7,997	9,605
Vehicles	19,518	-	-	19,598	9,037	3,308	-	12,345	7,253	10,561
Office equipment	2,00,857	58,661	-	2,59,518	31,005	99,308	-	1,24,313	1,35,206	1,63,857
Mining and equipment	70,901	-	-	70,901	46,732	5,367	-	51,794	19,107	24,169
Data processing equipment	18,425	5,438	-	23,913	14,848	4,253	-	19,103	4,812	3,627
Tent & huts	3,131	-	-	3,131	2,790	129	-	2,919	712	341
House hold improvements	25,450	-	-	25,450	19,540	3,187	-	27,717	1,732	5,940
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,653	-	4,03,675	6,53,019	7,31,981
Less: Depreciation capitalised during the year	-	-	-	-	-	168	-	-	-	-
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,284	-	4,03,675	6,53,019	7,31,981
Previous year - 2019-20	6,59,454	3,21,548	-	9,81,002	1,78,682	69,865	-	2,49,022	7,31,980	6,80,773
Leased assets	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal / adjustments/ Transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Right of use asset	33,280	-	-	33,280	8,765	10,142	-	18,906	14,387	24,524
Total	33,280	-	-	33,280	-	10,142	-	18,906	14,387	24,524
Previous year - 2019-20	29,478	8,811	-	33,289	-	8,765	-	8,765	24,524	-
Other intangible assets										
Particulars	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Disposal / adjustments/ Transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Computer software	3,153	-	-	3,153	2,630	281	-	2,911	442	723
Intangible property	46,554	-	-	46,554	2,736	2,831	-	5,567	40,988	43,818
Total	49,907	-	-	49,907	5,366	3,112	-	8,478	41,430	44,542
Previous year - 2019-20	5,329	44,578	-	49,907	2,835	2,931	-	5,366	44,541	2,894
Exploration intangible assets under development	62,71,043	21,38,875	-	84,09,918	-	-	-	-	84,09,918	62,71,043
Previous year - 2019-20	57,97,120	4,73,923	-	62,71,043	-	-	-	-	62,71,043	57,97,120
Capital work in progress	13,830	-	11,525	2,505	-	-	-	-	2,505	13,830
Previous year - 2019-20	-	13,830	-	13,830	-	-	-	-	13,830	-



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

4	Non current investments	As at March 31, 2021	As at March 31, 2020
	Unquoted equity instruments - investments measured at cost Investment in subsidiary companies		
	i. M/s. APMDCC - SCCL suliyari coal company limited 5,100 equity shares (March 31, 2020: 5,100) of Rs. 10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Nagam iron company limited 3,000 equity shares (March 31, 2020: 3,000) of Rs. 100/- each fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s. Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2020: 56,100) of Rs. 10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited. 1,110 equity shares (March 31, 2020: 1,110) of Rs. 1000/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in Associates		
	v. M/s. Aswani mineral development private limited. 65,000 equity shares (March 31, 2020: 65,000) of Rs. 10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Aiham minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Iva minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalore granites private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs. 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. K. P granites private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A. P. coastal sands & metals private limited, 13,000 equity shares (March 31, 2020: 13,000) of Rs. 10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh metal mining private limited 28,600 equity shares (March 31, 2020: 28,600) of Rs. 10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)





Investment in Joint Ventures			
xv. M/s A.P. Granite (India) Private Limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs.10/- each fully paid up		11,000	11,000
xvi. M/s Alliance A.P. Black Galaxy Granite Private Limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		11,000 (11,000)	11,000 (11,000)
xvii. M/s Followed Granite Private Limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		11,000 (11,000)	11,000 (11,000)
xviii. M/s Gimpes A.P. Granite Beneficiation Private Limited 1,10,000 equity shares (March 31, 2020: 1,10,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		11 (11)	11 (11)
xix. M/s Andhra Granite Corporation Private Limited 8,52,500 equity shares (March 31, 2020: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		8,525 (8,525)	8,525 (8,525)
xx. M/s Andhra Pradesh Iron Ore Company Limited 6,850 equity shares (March 31, 2020: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		68 (68)	68 (68)
xxi. M/s Imrey Bante Private Limited 4,50,000 equity shares (March 31, 2020: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		4,500 (4,500)	4,500 (4,500)
xxii. M/s V.K. Minerals Private Limited 1,10,000 equity shares (March 31, 2020: 1,10,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares		110 (110)	110 (110)
Investments measured at amortised cost			
Investment in Government Securities (unquoted)		7,096	7,114
Less: Provision made for doubtful investment		(7,087)	(7,087)
		11,012	11,027
Aggregate amount of quoted investments - Market value		-	-
Aggregate amount of quoted investments - Book value		-	-
Aggregate amount of unquoted investments		11,012	11,027
Aggregate amount of impairment		(7,087)	(7,087)
Aggregate Provision made for doubtful investment		(7,087)	(7,087)
5			
Loans (Non-current)		As at March 31, 2021	As at March 31, 2020
Deposits and others			
Unsecured, considered good		10,883	10,182
Unsecured, considered doubtful		9,326	9,369
Less: Provision for doubtful debts		(9,326)	(9,369)
Loan to others			
Unsecured, considered good		3,00,000	1,40,000
Loan to A.P. State Fibres Pvt. Ltd. - Refer Note 48			
Borrowings and advances to employees			
Unsecured, considered good		38,243	15,027
Unsecured, considered doubtful		854	854
Less: Allowance for bad and doubtful debts		(854)	(854)
Total		3,49,174	1,95,409



6	Other financial assets (Non-current)	As at	As at
		March 31, 2021	March 31, 2020
	Unsecured, considered good - Refer note 47		
	Balance in current accounts (Feesed)	18,007	17,422
	Long term bank deposits	24,06,106	78,58,855
	Sweep accounts	77,873	75,354
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>85,62,186</b>	<b>79,53,331</b>
7	Deferred tax asset (Net)	As at	As at
		March 31, 2021	March 31, 2020
	Deferred tax asset		
	Property, plant & equipment	22,081	4,299
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	1,279	2,135
	Provision for decommissioning costs	28,690	26,688
	Provision for leave liability / assets	774	862
	Provision for bad & doubtful debts, investments & advances	2,10,092	1,87,458
	<b>Total deferred tax asset</b>	<b>2,63,870</b>	<b>2,21,643</b>
	Deferred tax liability		
	Investment	(2,517)	(2,517)
	<b>Total deferred tax liability</b>	<b>(2,517)</b>	<b>(2,517)</b>
	<b>Net deferred tax asset</b>	<b>2,61,353</b>	<b>2,19,126</b>
8	Non current tax assets	As at	As at
		March 31, 2021	March 31, 2020
	Income Tax		
	Corporate tax receivable	8,85,414	8,85,414
	<b>Total</b>	<b>8,85,414</b>	<b>8,85,414</b>
9	Other non-current assets	As at	As at
		March 31, 2021	March 31, 2020
	A) Capital advances		
	Unsecured, considered good	2,39,367	2,39,187
	Unsecured, considered doubtful	26,023	26,021
	Provision for doubtful advances	(26,023)	(26,023)
		<b>2,39,367</b>	<b>2,39,187</b>
	B) Advances other than capital advances		
	Unsecured, considered good	19,57,718	13,90,934
	Unsecured, considered doubtful	1,78,841	38,893
	Less: Provision for doubtful advances	(1,78,893)	(38,893)
		<b>19,57,716</b>	<b>13,90,934</b>
	C) Others specified		
	Unsecured, considered good	11,60,115	11,45,877
	Unsecured, considered doubtful	1,98,772	1,58,875
	Less: Provision for doubtful advances	(1,98,772)	(1,58,875)
	Prepaid expenses	157	658
	<b>Total</b>	<b>35,57,370</b>	<b>29,76,834</b>
10	Inventories	As at	As at
		March 31, 2021	March 31, 2020
	Finished goods	17,15,559	7,73,884
	Less: Provision for obsolete stock	(799)	(799)
	Stores and spares	15,770	13,136
	<b>Total</b>	<b>17,14,760</b>	<b>7,85,821</b>



11	Trade receivables (Current)	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good	10,42,706	10,69,634
	Unsecured, considered credit impaired	3,77,960	3,77,960
	Less: Impairment allowance for doubtful debts	(3,77,960)	(3,77,960)
	Total	10,42,706	10,69,634
12	Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
	Cash and cash equivalents		
	Balances with banks in current accounts	12,32,665	17,10,383
	Cash on hand	125	609
	(a)	12,32,790	17,10,993
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	1,02,676	5,53,894
	(b)	1,02,676	5,53,894
	Total	13,35,466	22,64,887
13	Loans (current)	As at March 31, 2021	As at March 31, 2020
	Loans to others		
	Unsecured, considered good		
	Loan to AP State Internet Limited & Machilipatnam Urban Development Authority Refer Note 48 & 49	27,00,000	24,50,000
	Others Refer Note 52		5,88,533
	Loans and advances to employees		
	Unsecured, considered good	11,568	8,788
	Total	27,11,568	30,47,321
14	Other financial assets (Current)	As at March 31, 2021	As at March 31, 2020
	Advances receivable in cash		
	Unsecured, considered good		1,315
	Interest accrued on deposits		
	Unsecured, considered good	9,31,766	4,96,490
	Unsecured, considered doubtful	24,423	24,118
	Less: Provision made	(24,423)	(24,118)
	Total	9,18,766	4,99,805
15	Other current assets	As at March 31, 2021	As at March 31, 2020
	A) Advances recoverable		
	Unsecured, considered good	56,011	57,102
		56,011	37,302
	B) Others - specified		
	Unsecured, considered good		
	Balance with regulatory authorities	11,45,037	1,26,632
	Prepaid expenses	52,150	50,740
	Others	18,041	18,556
		13,15,268	2,15,937
	Total	13,91,279	2,53,239



16	Equity share capital	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital.</b> 1,00,000 equity shares of Rs.1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs.1000/- each)		1,00,000	1,00,000
		1,00,000	1,00,000
<b>Issued, subscribed and fully paid up share Capital.</b> 63,062 equity shares of Rs.1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs.1000/- each)		63,062	63,062
		63,062	63,062
<b>16.1 Additional notes:</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2021	As at March 31, 2020
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the share holder	As at March 31, 2021	As at March 31, 2020
	Governor of the Andhra Pradesh- represented by assistant secretary to Government (Investment, Industries & Commerce) department	63,059 (100%)	63,059 (100%)
<b>17</b>			
	Other equity	As at March 31, 2021	As at March 31, 2020
<b>Capital reserves</b>			
Free ride equity shares for consideration other than cash allotted by			
i. M/s. Aswani Mineral development private limited			
55,000 equity shares (March 31, 2020: 55,000) of Rs.10/- each			
Fully paid up		650	650
Less: Provision made for diminution in the value of shares		(650)	(650)
ii. M/s SRAP mineral private limited			
1,25,000 equity shares (March 31, 2020: 1,25,000) of Rs.10/- each			
Fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)
iii. Arham minerals exports private limited			
1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs.10/- each			
Fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
iv. Sri Minerals exports private limited			
1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs.10/- each			
Fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
v. Mangrove granites private limited			
1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs.10/- each			
Fully paid up		1,300	1,300
Less: Provision made for diminution in the value of shares		(1,300)	(1,300)
vi. Ongole minerals exports private limited			
1,25,000 equity shares (March 31, 2020: 1,25,000) of Rs.10/- each			
Fully paid up		3,250	3,250
Less: Provision made for diminution in the value of shares		(3,250)	(3,250)



vi. RLP granites private limited 3,25,000 equity shares(March 31, 2020: 3,25,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	3,250 (3,250)	3,250 (3,250)
vii. As/s.P.granites(midland) private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs 10/- each fully paid up	11,000 -	11,000 -
ix. M/s.Alliance O.P.black galaxy granites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
x. M/s.Pallava red granites private limited 1,10,000 equity shares(March 31, 2020: 1,10,000) of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
xi. M/s.A.P coastal sands & metals private limited.. 13,000 equity shares(March 31, 2020: 13,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 (130)	130 (130)
xii. M/s.Ongul iron ore mining company private limited 56,100 equity shares(March 31, 2020: 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	561 (561)	561 (561)
xiii. M/s.Gunpur AP banded beneficiation private limited 1,320 equity shares(March 31, 2020: 1,320) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2020: 8,52,500) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
xv. M/s.Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2020: 6,850) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
xvi. M/s.Times baryte private limited 4,50,000 equity shares(March 31, 2020: 4,50,000) of Rs.10/- each full paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
xvii. M/s.V.V. minerals private limited 1,100 equity shares(March 31, 2020: 1,100) of Rs 100/- each full paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
	11,000	11,000
Other comprehensive income		
Opening balance	4,671	1,346
Other comprehensive income for the year	1,218	3,325
Add/(less): Transferred from/(to) retained earnings	-	-
Closing balance	3,453	4,671
Reserve for bad and doubtful debts		
Opening balance	85,356	83,138
Add/(less): Transferred from/(to) profit and loss account	(83,605)	4,248
Closing balance	1,751	85,356





<b>General reserve</b>		
Opening balance	17,01,911	17,04,961
Impact of transition to Ind AS 116	-	(1,018)
Closing balance	17,01,911	17,01,911
<b>Retained earnings</b>		
Opening balance	1,62,56,857	1,68,15,413
Add/(Less): Profit for the year	19,24,195	36,41,691
	1,81,81,052	2,04,57,105
<b>Less: Appropriations</b>		
Reserve for bad and doubtful debts	(75,609)	4,248
Total appropriations	(75,609)	4,248
Closing balance	2,06,25,443	2,08,81,353
<b>Total</b>	<b>2,23,27,354</b>	<b>2,20,55,798</b>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	Other financial liabilities (Non-current)	As at March 31, 2021	As at March 31, 2020
	Expenses payable against infrastructure development	68,714	68,714
	Deposits	17,280	17,380
	Others	31,64,945	29,87,184
	<b>Total</b>	<b>32,54,949</b>	<b>30,73,179</b>

19	Provisions (Non-current)	As at March 31, 2021	As at March 31, 2020
	Provision for others:		
	Provision for decommissioning cost	1,13,994	1,06,011
	<b>Total</b>	<b>1,13,994</b>	<b>1,06,011</b>

20	Other non-current liabilities	As at March 31, 2021	As at March 31, 2020
	Others:		
	Statutory liabilities	25,432	25,432
	<b>Total</b>	<b>25,432</b>	<b>25,432</b>

21	Trade payables (Current)	As at March 31, 2021	As at March 31, 2020
	Trade payables:		
	Due to micro enterprises and small enterprises		
	Due to creditors other than micro enterprises and small enterprises	10,70,340	8,64,306
	<b>Total</b>	<b>10,70,340</b>	<b>8,64,306</b>

Micro and small enterprises under the micro and small enterprises development Act 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSMED Act		
<b>Total</b>		

Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information supplied by the management.



22	Other financial liabilities (Current)	As at March 31, 2021	As at March 31, 2020
	Salaries & other benefits payable	29,858	16,542
	Earnest money and security deposits from customers	4,35,600	1,85,763
	Other payables	7,51,922	5,22,643
	<b>Total</b>	<b>12,17,380</b>	<b>8,24,948</b>
23	Other current liabilities	As at March 31, 2021	As at March 31, 2020
	Advance from customers	2,02,063	89,128
	Statutory liabilities	12,75,147	1,91,348
	Unknown receipts/suspense	11,775	3,712
	<b>Total</b>	<b>14,88,985</b>	<b>4,84,188</b>
24	Current tax liabilities	As at March 31, 2021	As at March 31, 2020
	Provision for income tax	6,44,703	5,69,635
	<b>Total</b>	<b>6,44,703</b>	<b>5,69,635</b>



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

25	Revenue From operations	For the year ended March 31, 2021	For the year ended March 31, 2020
	Sale of products	48,97,111	1,00,28,744
	Sale of services		
	Agency services including transportation	1,28,74,328	31,19,243
	Others	4,08,580	1,48,924
	<b>Total</b>	<b>1,81,80,219</b>	<b>1,32,96,911</b>
26	Other income	For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest income		
	Bank deposits	4,67,457	5,26,125
	Loans	267	311
	Others	65,906	55,366
	Other non operating income		
	Rent receipts	671	661
	Forfeiture of security deposit	15,574	1,500
	Sale of tender documents	2,743	4,984
	Liabilities no longer required written back	203	46,590
	Penalties on buyers and millers	-	8,370
	Other miscellaneous income	61	32,370
	<b>Total</b>	<b>5,52,882</b>	<b>7,75,977</b>
27	Profit after tax for the year (A)	For the year ended March 31, 2021	For the year ended March 31, 2020
	Packing material	-	8,193
	<b>Total</b>	<b>-</b>	<b>8,193</b>
28	Changes in inventories of finished goods	For the year ended March 31, 2021	For the year ended March 31, 2020
	a) Opening stock of finished goods	7,73,484	9,14,479
		7,73,484	9,14,429
	b) Closing stock of finished goods	17,16,359	7,73,484
		17,16,359	7,73,484
	<b>Changes in inventories of finished goods</b>	<b>(9,42,875)</b>	<b>1,40,945</b>
29	Employee benefit expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries and wages	2,55,365	2,54,365
	Contribution to provident fund and other funds	31,407	48,023
	Staff welfare expenses	27,569	24,990
	<b>Total</b>	<b>3,14,361</b>	<b>3,27,796</b>
30	Finance costs	For the year ended March 31, 2021	For the year ended March 31, 2020
	Unwinding of discount on provision	10,154	9,912
	Interest	2,662	1,186
	<b>Total</b>	<b>12,816</b>	<b>11,098</b>



31	Depreciation and amortisation expense	For the year ended March 31, 2021	For the year ended March 31, 2020
	Depreciation of property, plant and equipment	1,54,284	72,330
	Amortisation of intangible assets	3,112	465
	Depreciation on right of use assets	10,142	8,755
	<b>Total</b>	<b>1,67,538</b>	<b>81,551</b>
32	Power and fuel	For the year ended March 31, 2021	For the year ended March 31, 2020
	Power and fuel	57,966	41,748
	<b>Total</b>	<b>57,966</b>	<b>41,748</b>
33	Excavation & transport charges	For the year ended March 31, 2021	For the year ended March 31, 2020
	Excavation & transport charges for run of mine	4,28,707	3,34,964
	Excavation & transport charges for overburden	24,29,259	77,78,171
	<b>Total</b>	<b>28,57,966</b>	<b>26,13,135</b>
34	Other expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Rents	6,742	2,681
	Repairs & maintenance	18,149	10,126
	Insurance	1,223	1,153
	Rates and taxes		
	Royalty	4,71,645	8,52,348
	UMP	1,40,895	2,34,332
	NWET	9,393	16,955
	Gess	28,636	53,166
	Other rates and taxes	18,168	3,45,761
	Other expenses		
	Operating expenses	27,812	91,065
	Expenses for agency services	1,21,11,184	30,50,874
	Discount on sales	88,918	87,485
	Milling charges	-	19,140
	Transport and wagon loading charges	24,729	74,884
	Sealing expenses	23,612	96,639
	New project expenses	1,69,836	3,945
	Office & general expenses	21,172	78,488
	Payment to auditors (refer note no 34.1)	750	750
	Audit fee for other auditors	730	450
	Printing & stationery	12,973	7,740
	Corporate social responsibility expenses	1,02,271	13,084
	Remuneration to out sourced services	8,17,398	4,62,023
	Provision for doubtful debts	-	5,20,300
	Provision for doubtful advances	90,000	2,22,975
	Data processing charges	11,845	7,731
	Rehabilitation expenses	12,923	12,834
	Donations	98,615	13
	Miscellaneous expenditure	167	614
	<b>Total</b>	<b>1,43,60,306</b>	<b>60,92,311</b>



34.1	Payment to Auditors	For the year ended March 31, 2021	For the year ended March 31, 2020
	Statutory audit fee	750	750
	Total	750	750
35	Income Tax		
The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:			
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Current tax:		
	Current income tax charge	6,23,016	14,14,594
	Total (a)	6,23,016	14,14,594
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(42,227)	(1,10,184)
	Total (b)	(42,227)	(1,10,184)
	Total	5,80,789	13,04,409
Other comprehensive income			
	Items that will not be reclassified to P&L	For the year ended March 31, 2021	For the year ended March 31, 2020
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(1,051)	970
	Leave encashment	(167)	2,309
	Deferred tax on above items		46
	Total	(3,218)	3,325
The income tax expense for the year can be reconciled to the accounting profit as follows:			
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Profit/(loss) before tax as per statement of profit and loss	19,04,983	47,06,101
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed tax expense	4,79,446	11,94,439
	Tax effect of:		
	i) Deferred tax related adjustment (inc. using impact on deferred tax for the year due change in applicable tax rate)	(42,227)	(1,10,184)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	25,740	18,394
	b) Change in depreciation	20,259	5,418
	c) Provision for doubtful items	22,851	1,36,719
	d) Other items	74,880	59,564
	Total income tax expense for the year	5,80,789	13,04,409





**35. Contingent liabilities and commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2021	As at 31.03.2020
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	62,196	62,196
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt 13-01 2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237, dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	<p>60,30,636 4,63,303</p>	<p>51,36,610 8,94,026</p>
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2019-20, the total demand raised, deposits made and reaming un paid amount. (Details given below)	57,583	57,583
B	Contingent liability on BG's		
	Bank guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000



C	Capital commitments in respect of unexecuted contracts.	-
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2020-2021, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
<b>Less: Share of TSMDC</b>		<b>-</b>	<b>(31,104)</b>	<b>-</b>
<b>Share of APMD C</b>		<b>-</b>	<b>46,860</b>	<b>-</b>
<b>Deposits made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand total</b>		<b>1,45,675</b>	<b>87,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,012	-	11,012
Loans	-	6,670	30,53,822	-	30,60,492
Trade receivables	-	-	10,42,706	-	10,42,706
Cash and cash equivalents	-	-	12,32,990	-	12,32,990
Other bank balances	-	-	1,02,676	-	1,02,676
Other financial assets	-	-	88,95,953	-	88,95,964
<b>Total</b>	-	<b>6,670</b>	<b>1,43,39,159</b>	-	<b>1,43,45,828</b>
<b>Financial liabilities:</b>					
Trade payables	-	-	-	10,70,340	10,70,340
Other financial liabilities	-	-	-	45,06,318	45,06,318
<b>Total</b>	-	-	-	<b>55,76,658</b>	<b>55,76,658</b>

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	11,027	-	11,027
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and cash equivalents	-	-	17,10,993	-	17,10,993
Other bank balances	-	-	5,53,894	-	5,53,894
Other financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,044</b>	-	<b>1,58,60,281</b>
<b>Financial Liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>



### 38. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2020-21	2019-20
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	3,77,960
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	3,77,960
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2020-21	2019-20
Ageing	<12 Months	<12 Months
Gross carrying amount	10,42,706	14,89,634
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	10,42,706	14,89,634

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:

##### I. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2020-21	2019-20
Selling price increase by 5%		
Barytes	2,65,295	5,08,883
Agency services	6,43,716	1,55,962
Selling price decrease by 5%		
Barytes	(2,65,295)	(5,08,883)
Agency services	(6,43,716)	(1,55,962)





**b. Packing material price risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Increase by 5%	Increase by 5%	Decrease by 5%
Product name:				
Packing material	-	-	(410)	410

**c. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense.				
Excavation & transport charges for run of mine	(21,435)	21,435	(16,748)	16,748
Excavation & transport charges for overburden	(1,21,463)	1,21,463	(1,13,909)	1,13,909

**39. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2021**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,70,340	10,70,340	10,70,340	-
Non-current financial liabilities	32,54,943	32,54,943	-	32,54,943
Current financial liabilities	12,51,376	12,51,376	12,51,376	-
<b>Total</b>	<b>55,76,659</b>	<b>55,76,659</b>	<b>23,21,716</b>	<b>32,54,943</b>



As at 31st March 2020

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2021	As at 31-03-2020
Employers contribution to provident fund	8,877	8,919
Employers contribution to pension fund	5,110	5,442

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March 2020

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	59,039	63,703	54,194	54,884
Service cost	2,102	2,362	1,901	2,072
Interest expenses	3,316	4,467	3,121	4,029
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(17,884)	(10,930)	(14,107)	(4,717)
Remeasurements - actuarial (gains)/losses	1,075	(563)	210	(2,074)
<b>Benefit obligations at the end</b>	<b>47,648</b>	<b>59,039</b>	<b>45,319</b>	<b>54,194</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	61,363	64,506	88,864	68,073
Interest income	3,497	4,683	5,449	5,807
Employer contributions	812	4,026	1000	19,992
Benefits payments from plan assets	(17,885)	(12,259)	(14,107)	(5,243)
Actuarial gain / (loss) on plan assets	25	406	43	235
<b>Benefit obligations at the end</b>	<b>47,812</b>	<b>61,363</b>	<b>81,249</b>	<b>88,864</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
PV of obligations at the end of the year	47,649	59,039	45,319	54,194
Fair value of plan assets at the end of the year	47,812	61,363	81,249	88,864
<b>Liability (+) / Asset (-) recognised in the balance sheet</b>	<b>(163)</b>	<b>(2,324)</b>	<b>(35,930)</b>	<b>(34,670)</b>

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Service cost	2,102	2,362	1,901	2,072
Interest expenses	(180)	(216)	(2,328)	(1,778)
<b>Net expense recognised</b>	<b>1,922</b>	<b>2,146</b>	<b>427</b>	<b>294</b>



iv. Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Actuarial (gain)/losses on obligations for the period	1,075	(563)	210	(2,074)
Actuarial (gain)/losses on plan assets for the period	25	(406)	43	(235)
<b>Net expense recognised</b>	<b>1,100</b>	<b>(970)</b>	<b>253</b>	<b>(2,309)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Rate of discounting	6.77%	6.62%	6.77%	6.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.07	11.42	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave avallment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Expected cash flow in year 1	5,959	22,239	10,475	22,842
Expected cash flow in year 2	3,575	6,477	7,283	8,451
Expected cash flow in year 3	7,270	5,995	8,216	6,726
Expected cash flow in year 4	6,641	6,801	6,466	6,548
Expected cash flow in year 5	5,528	2,474	5,035	3,706
Expected cash flow in year 6	3,973	4,062	3,847	3,546
Expected cash flow in year 7	4,535	4,467	3,536	3,611
Expected cash flow in year 8	5,035	1,461	3,645	1,646
Expected cash flow in year 9	1,643	7,323	1,704	2,922
Expected cash flow in year 10	8,299	2,761	2,973	1,400



**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	47,649	59,039	0.00%	0.00%
Salary escalation - up by 1%	50,936	61,802	6.90%	4.70%
Salary escalation - down by 1%	44,658	56,512	-6.28%	-4.30%
Withdrawal rates - up by 1%	48,095	59,362	0.94%	0.50%
Withdrawal rates - down by 1%	47,154	58,682	-1.04%	-0.60%
Discount rates - up by 1%	45,043	56,933	-5.47%	-3.60%
Discount rates - down by 1%	50,567	61,386	6.12%	4.00%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	45,319	54,194	0.00%	0.00%
Salary escalation - up by 1%	47,281	55,996	4.30%	3.30%
Salary escalation - down by 1%	43,472	52,485	-4.10%	-3.20%
Withdrawal rates - up by 1%	45,484	54,317	0.40%	0.20%
Withdrawal rates - down by 1%	45,143	54,064	-0.40%	-0.20%
Discount rates - up by 1%	43,802	52,914	-3.30%	-2.40%
Discount rates - down by 1%	46,958	55,573	3.60%	2.50%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.





**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**41. Earnings per share (EPS)**

Particulars	As at	As at
	31-03-2021	31-03-2020
Profit after tax before exceptional items	13,24,193	34,41,691
Add: exceptional items	-	-
Profit after tax after exceptional items	13,24,193	34,41,691
Profit available for equity shareholders	13,24,193	34,41,691
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	20,998.27	54,576.32
Basic and diluted earnings per share (In Rupees) – after exceptional item	20,998.27	54,576.32

**42. Segment Information**

**i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.



**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 31,70,242 (Thousands) (P.Y 67,28,557 Thousand) is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2020-21**

Particulars	For the year ended 2020-21			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	53,05,891	1,28,74,328	-	1,81,80,219
<b>Total segment revenue</b>	<b>53,05,891</b>	<b>1,28,74,328</b>	<b>-</b>	<b>1,81,80,219</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	20,76,905	70,699	-	21,47,604
Unallocated other income	-	-	4,99,382	4,99,382
Unallocated expenses and finance cost	-	-	(7,42,004)	(7,42,004)
<b>Profit before exceptional items and tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,42,622)</b>	<b>19,04,983</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,42,622)</b>	<b>19,04,983</b>
Income tax - Current	-	-	6,23,016	6,23,016
Deferred tax	-	-	(42,227)	(42,227)
<b>Profit after tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(8,23,411)</b>	<b>13,24,193</b>
<b>Other Information</b>				
Segment assets **	47,27,877	15,14,533	2,50,49,169	3,12,91,579
Segment liabilities **	11,90,143	16,95,868	49,63,732	78,49,743
Capital work in progress	-	2,305	-	2,305
Depreciation and amortisation	30,255	1,16,550	20,733	1,67,538
Non-cash expense other than depreciation and amortisation	-	-	90,506	90,506



\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2019-20**

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	1,01,77,668	31,19,243		1,32,96,910
<b>Total segment revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>	<b>-</b>	<b>1,32,96,910</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income	-	-	7,27,512	7,27,512
Unallocated expenses and finance cost	-	-	(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
<b>Exceptional items</b>				
Profit before tax	-	(4,07,508)	(61,233)	47,46,101
Income tax - Current	-	-	14,14,594	14,14,594
Deferred tax	-	-	(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>-</b>	<b>(4,07,508)</b>	<b>(13,65,642)</b>	<b>34,41,692</b>
<b>Other Information</b>				
Segment Assets **	42,81,513	14,17,756	2,23,67,362	2,80,66,632
Segment Liabilities **	10,25,741	10,88,149	38,33,882	59,47,772
Capital work in progress	-	13,830	-	13,830
Depreciation and amortisation	36,956	21,768	22,837	81,561
Non-cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667



**43. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2020</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri. M. Madhusudhan Reddy I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director
Sri. Hari Narayanan I A S (01.06.2020 to 03.02.2021)	Vice Chairman & Managing Director
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

<b>Name of the related party</b>	<b>Relation</b>
AP state fibernet limited	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	





**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,24,655
Pallavared granite private limited	62,855

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
Andhra Pradesh granite (Midwest) private limited	83,980	1,50,844
Pallava red granite private limited	87,586	59,427
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2021	As at 31-03-2020
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam urban development authority	19,726	19,726
Pallavared granite private limited	10,744	10,744

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2021	As at 31-03-2020
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC- SCCL Suli vari coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679
Investment in joint ventures	As at 31-03-2021	As at 31-03-2020
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex barite private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217





Investment in associates	As at 31-03-2021	As at 31-03-2020
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongole minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

**v. Remuneration to key management personal**

Name of the key management personal	As at 31-03-2021	As at 31-03-2020
Sri. Ch. Venkiah Chowdary, I.R.S (24.08.2015 to 26.06.2019)		355
Sri. Y. Bhanu Prakash, I.A.S (27.06.2019 to 13.09.2019)		588
Sri. M. Madhusudhan Reddy, I.R.A.S (16.09.2019 to 20.05.2020)	199	889
Sri. Hari Narayanan I.A.S (01.06.2020 to 01.02.2021)	984	-

**vi. Loan to related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
AP state fibernet limited	10,00,000	10,00,000
Machilipatnam urban development authority	20,00,000	20,00,000

**vii. Advance to related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
Royalaseema steel corporation limited *	32,739	32,739
AP High Grade Steel Limited*	1,10,000	20,000

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**44. Note on sand operations**

- The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities



- i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the Government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the Code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation, internal transportation expense have been based on the certification by the district sand officer/ district sand in charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.



- e. The data from the software developed by M/s. Code tree software solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code tree was discontinued. Despite several requests, Code tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the Door Delivery of Sand
- Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
  - Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
  - Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.
- g. The details of the receipts have not been provided to us by the director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs. 50,91,93,352/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. Neither vouchers nor supporting documents were maintained for the bulk payments of door delivery of transportation of sand and Boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from end customers directly in our bank account without routing it through the director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were



received in various modes of payments such as DDs, UPIs and cash directly deposited in our bank account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with the director of mines and geology.

k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:

- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
  - ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.
  - iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
  - iv. Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
  - v. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
  - vi. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.
  - vii. There was no written instruction from the Government as to whether the above price is inclusive/ exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.
- l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID - 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.





**45. Deferred tax asset /(liability)**

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,279	2,335
Provision for decommissioning asset	28,690	26,688
Property, plant and equipment	22,081	4,299
Other provisions	2,10,820	1,88,320
<b>Total deferred tax asset</b>	<b>2,63,870</b>	<b>221,643</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Investments	2,517	2,517
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,517</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,61,353</b>	<b>2,19,126</b>

**46. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.85,707 (Previous Year Rs.88,324).
- b. Amount spent during the year

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Construction/ acquisition of any assets	-	-
Purpose other than above	1,02,271	73,084

**47. Treatment of demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State of Andhra Pradesh) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.





- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.

- APMDC –58.32%
- TSMDC –41.68%

- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.

- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	63,062	36,778	26,284
Reserve & surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. grants	19	11	8
<b>Current/ non-current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	34,405	20,065	14,340
Non-Current Investment	49,944	29,128	20,817
Loans & Advances	36,60,022	21,34,525	15,25,497
<b>Current Assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & bank balances	439	256	183
Fixed deposits – BG	13,72,772	8,00,600	5,72,171
Other fixed deposits	81,62,135	47,60,157	34,01,978
Other current assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>



#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.8,341,061/- Thousands (sweep accounts of Rs.77,873 /- and fixed deposits of Rs.8,263,188/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **48. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the



loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was entered with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
Total		100.00

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **49. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good. Further, no interest has been recognised in the books of accounts.

#### **50. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that



company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **S1. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount of Rs.9.00 crores have been provided towards additional provision for doubtful advance during the year, totalling to Rs.11.00 crores till 31-03-2021.

#### **52. Loan to M/s. Thriveni Earth Movers Private Limited**

During the previous year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40.00 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40.00 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private Limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35.00crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory; the corporation released an amount of Rs.30.00crores on March 18, 2020 against the bank guarantee. Total advance amount of Rs.70.00 crores has been repaid during the year along with the applicable interest in full.





### 53. Non valuation of inventory

#### a. C+D+W Grade of barytes

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (59.22 lakhs MTs) is considered without value

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020. The Closing stock as on 31.03.2021 is 2.04 lakh MT (including 470 MTs of 1<sup>st</sup> Grade), which the company has not valued.

### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area In Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
	<b>Total</b>	<b>2,556.86</b>





## 55. Additional information

### 55.1 Particulars of consumption of raw material

Particulars	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	-	-	8,191	100.00
Total	-	-	8,191	100.00

### 55.2 Particulars of consumption of stores & spares

Particulars	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	18,249	100.00	10,126	100.00
Total	18,249	100.00	10,126	100.00

## 56. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2020 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022 and 22<sup>nd</sup> August, 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, and 31<sup>st</sup> March, 2020, the board of directors of the company in their meeting held on 22<sup>nd</sup> August, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2020. The reported amounts as on 31<sup>st</sup> March, 2021 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 57. General

- During the year company has operated public deposits accounts (PD Account) with the treasury department Government of Andhra Pradesh (GoAP). No funds have been credited to this account given by any other government or agencies except the GoAP. There are no restrictions or additional permissions required for withdrawing the funds from this account. There are no returned/unpaid bills under this account as on March 31, 2021.



- b. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- c. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.
- d. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- e. All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earnings per share (EPS).

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565



A.V. Raghava Rao  
Partner  
Mem No.200578



Place: Vijayawada  
Date: October 10, 2023

for and on behalf of the board of directors



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525



Raman Narayanan  
Director  
DIN:10267130



A. Nageswara Reddy  
General Manager-F&A



UDIN: 23200 578 BGXU FU 9551.



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements")

We do not express an opinion on accompanying Consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements

#### **Basis for Disclaimer of Opinion**

1. We draw attention to Note No. 45 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2021 and further reasons as detailed in Note No 45, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDCL SCCL Suliari coal company Ltd	Subsidiary	51.00%
4	Nuagun coal company Ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.35%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%



13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Disclaimer Opinion (As stated in the report of standalone financial statements)

- ii) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment	18	Other Financial Liability(non-current)	58,47,13,883	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial Liability(non-current)	1,48,36,82,797	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial Liability(non-current)	91,24,99,128	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	21,89,97,208	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,32,86,82,758	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	7,15,97,96,553	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	19,19,55,752	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,13,41,11,543	Dr
9	Sweep Account (SBI, Kharatabad)	6	Other Financial Assets (Non-Current)	7,78,72,936	Dr





10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	25,04,83,888	Dr
11	Int. Accr. on FDR kept for BGis	14	Other Financial Assets (Current)	45,25,955	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	4,49,14,142	Dr
13	Int. accr. on sweep a/c (SBI)	14	Other Financial Assets (Current)	3,28,59,913	Dr
14	Int. on Fixed Deposits	26	Other Income	38,14,60,577	Cr
15	Int. on FD kept for BG	26	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	3,86,41,314	Cr
17	Int. on Sweep account SBI Kharatabad	26	Other Income	33,93,823	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	1,80,07,426	Dr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2021 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances as on March 31, 2021 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2021 (In Rs.)
Adv. to EE Panc. Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,16,36,37,861
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

vi) In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supportings are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to





use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.

- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- vii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 67.22 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- viii) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.
- x) The Holding company has Trade Receivables balance amounting to Rs. 142.07 Crores and advance from customers amounting to Rs. 20.20 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 142.07 Crores and Advance from Customers amounting to Rs. 20.20 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.



- xi) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:-

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xii) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19 Financial Year 2019-20 and Financial Year 2020-21 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.
- xiv) The Holding company has accounted for interest on credit sales amounting to Rs. 2.18 crores for the financial year 2020-21. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2021 has not been recognised, which is not in line with the accounting policy followed by the Holding company. Considering the non-availability of the records, we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head interest accrued on credit sales as on 31<sup>st</sup> March 2021. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.



- xv) Balance in Suspense Account amounting to Rs. 1,17,75,403 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
- xvi) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software,
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
- b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Holding Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- c) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometer (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Holding Company with the Transporters. The transportation charges payable has to be derived based on the Kilometres as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices.





However, the Kilometres certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometres as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. It has been informed to us that Internal Transport Charges receivable from Director of Mines and Geology are also at the same kilometres and rate per kilometer however, no supporting has been provided to support the claim. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.

- d) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. It has been informed to us that Door Delivery Transport Charges receivable from Director of Mines and Geology are also at the same rates but however, no supporting has been provided to support the claim. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- e) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supportings are not available for verification, the details of which are as follows:
  - 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
  - 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.



Considering the non availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- fi) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- g) The Management has not conducted physical verification of the stock lying at Sand Reach, Stock Yards and Stock Depots. The Holding Company has not recognised any Unbilled Revenue on Agency Services and Transportation Services provided to Director of Mines and Geology but not billed in Financial Year 2020-21. In the absence of the sufficient audit evidence, we are unable to satisfy ourselves by alternative means as to the amount of Unbilled Revenue to Department of Mines and Geology not recognised in books as on 31<sup>st</sup> March 2021.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.





## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

## **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022 and 22<sup>nd</sup> August, 2023 respectively due to non completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 the Board of Directors of the Holding Company in their meeting held on 10<sup>th</sup> October 2023 approved the financial statements for the year ended March 31, 2021.



Consequently, we have conducted our audit for the year ended March 31, 2021 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2021 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 and subsequent approval at the Annual General Meetings.

We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 30.54 lakhs for the year ended March 31, 2021 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

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

1. As required by Section 143 (3) of the Act, we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Holding company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Group.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.



h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements- Refer Note 36 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B

Patil V Jayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants

FRN 000656S

CA. A.V. Raghava Rao

Partner

M. No. 200578

UDIN: 23200578 BGXU FV1126

## **Annexure - A to the Independent Auditors' Report**

[Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2021]

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of March 31, 2021 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding company included in the Group are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the internal control over financial reporting criteria established by the Companies/Entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2021.

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2021.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodic verification of inventory and Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting apor such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations of the Holding company.





- i. The Holding company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
- ii. Periodic Reconciliation of Bank Balances have not been done
- iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures
- iv. Non maintenance of registers/records such as cheque book register, fixed asset register, 3G registers, FMD/PSD register, register of contractors and register of tender schedules sold.

#### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Holding Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding company as at March 31, 2023 and the disclaimer has affected our opinion on the Consolidated financial statements of the Holding company and we have issued a Disclaimer of opinion on the Consolidated financial statements of the Holding company.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 0006565

CA. A.V. Raghava Rao  
Partner  
M. No. 200578

UDIN: 03200578BGXUFV1126

# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not,</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Holding Company has been maintaining Public Deposit Account vide account No 11000093601</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year company has not raised any loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2021.</p>



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As physical verification of property, plant and equipment could not take place during the year, we are unable to comment upon the same.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management of the holding company has physically verified the inventory and stores and spares in FY 2020-21 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.



12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2019-20 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2019-20.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.

Place: Vijayawada  
Date: 10<sup>th</sup> October 2023

For **Chowdary & Rao**  
Chartered Accountants  
FRN 006565

  
CA. A.V. Raghava Rao  
Partner  
Mem No: 200578  
UPIN: 93200578BGXUFC1126





The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2021  
All amounts are in thousands, unless otherwise stated

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	6,53,119	7,51,980
Right of use Assets	2	14,382	24,124
Capital work in progress	3	2,305	13,830
Other intangible assets	3	41,430	44,541
Intangible assets under development	3	34,09,716	62,71,043
<b>Financial assets</b>			
Investments	4	47,117	11,312
Loans	5	3,49,124	5,55,409
Other financial assets	6	85,62,186	79,52,231
Deferred tax assets (net)	7	2,61,353	7,19,176
Non-current tax assets	8	8,55,414	9,85,414
Other non-current assets	9	35,27,571	29,76,834
<b>Total non-current assets</b>		<b>2,27,72,614</b>	<b>1,97,26,244</b>
<b>Current assets</b>			
Inventories	10	17,29,280	7,85,821
<b>Financial assets</b>			
Trade receivables	11	10,42,700	14,93,654
Cash and cash equivalents	12	12,72,990	17,12,993
Other bank balances	12	1,72,676	5,53,894
Loans	13	27,11,368	40,47,288
Other financial assets	14	3,33,766	4,09,605
Other current assets	15	13,91,179	2,53,239
<b>Total current assets</b>		<b>85,44,066</b>	<b>83,40,674</b>
<b>TOTAL ASSETS</b>		<b>3,13,22,680</b>	<b>2,80,66,918</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	53,062	53,062
Other equity	17	2,34,39,876	2,20,56,062
<b>Total Equity</b>		<b>2,34,92,938</b>	<b>2,21,19,146</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	18	32,54,943	30,73,179
Provisions	19	1,13,994	1,05,041
Other non-current liabilities	20	25,432	25,432
<b>Total non-current liabilities</b>		<b>33,94,370</b>	<b>32,04,652</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	21	10,70,340	8,64,306
Other financial liabilities	22	12,51,376	8,24,908
Other current liabilities	23	14,88,955	4,84,231
Current tax liabilities	24	6,44,703	5,69,635
<b>Total current liabilities</b>		<b>44,55,374</b>	<b>27,43,120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,13,22,680</b>	<b>2,80,66,918</b>

Notes to Financial statements

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The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For Chowdury & Rao  
Chartered Accountants  
Firm Regn No: 0005565

A.V. Raghava Rao  
Partner  
Mem No. 200578



UDIN: 03200578BGX4FUI126  
Place: Vijayawada

Date: October 10, 2021

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Marayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated statement of profit and loss for the year ended March 31, 2021**  
 All amounts are in thousands, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	25	1,81,80,219	1,32,96,911
Other Income	26	5,52,882	7,75,977
<b>Total income</b>		<b>1,87,33,101</b>	<b>1,40,72,888</b>
<b>Expenses</b>			
Cost of materials consumed	27	-	8,191
Change in inventories of finished goods	28	19,42,875	1,40,945
Employee benefits expense	29	3,14,361	3,37,799
Finance costs	30	12,856	11,098
Depreciation and amortization expense	31	1,67,538	81,561
Power and fuel	32	57,956	41,748
Excavation & transport charges	33	28,47,966	26,13,116
Other expenses	34	1,43,60,306	60,92,311
<b>Total expenses</b>		<b>1,68,28,118</b>	<b>93,26,707</b>
<b>Profit before exceptional items and tax</b>		<b>19,04,983</b>	<b>47,46,181</b>
Add : Exceptional items (Net)		-	-
<b>Profit before tax</b>		<b>19,04,983</b>	<b>47,46,181</b>
Share of Profit/(loss) of joint venture		30,535	5,938
Less : Tax expense/(benefit)			
Current tax	35	6,23,016	14,14,594
Deferred tax	35	(42,227)	(1,10,184)
<b>Total tax expense/ (benefit)</b>		<b>5,80,789</b>	<b>13,04,409</b>
<b>Profit for the year from continuing operations</b>		<b>13,54,728</b>	<b>34,47,629</b>
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>13,54,728</b>	<b>34,47,629</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(1,218)	3,279
Items that will not be reclassified to profit or loss of IV		280	7
Income tax on above items		-	45
<b>Total other comprehensive income for the year (B)</b>		<b>(937)</b>	<b>3,332</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>13,53,791</b>	<b>34,50,961</b>
Earnings per equity share (In Rs) - (Nominal value of share Rs.1000 /-)			
- Basic	41	21,482.48	54,670.47
- Diluted		21,482.48	54,670.47
Notes to financial statements	1-58		

The accompanying notes are an integral part of these consolidated financial statements;

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao

Chartered Accountants

Firm Regn No: 0006565

*A.V. Raghava Rao*  
 A.V. Raghava Rao  
 Partner

Mem No.200578



UOI No: 33200578BGX4FV1126

Place : Vijayawada

Date : October 10, 2023

*V.G. Venkata Reddy*  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

*Raman Narayanan*  
 Raman Narayanan  
 Director  
 DIN: 10267130

*A. Nageswara Reddy*  
 A. Nageswara Reddy  
 General Manager - F&A



**Balance Sheet as at March 31, 2021**

Statement of Changes in equity for the year ended March 31, 2021

**A. Equity share capital**

Particulars	No of Shares	(Rs. in '000's) Disposals/ adjustments/ transfer
Balance as at April 1, 2019	63,062	63,062
Changes in equity share capital during 2019-20	-	-
Balance as at April 1, 2020	63,062	63,062
Changes in equity share capital during 2020-21	-	-
Balance as at March 31, 2021	63,062	63,062

**B. Other equity**

(Rs. in '000's)

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial Gain/Losses reserve	Deferred tax on OCI items	
Balance as at April 1, 2019	11,000	81,108	17,24,670	1,07,06,880	(5,657)	10,150	(3,036)	1,06,05,124
Profit for the year	-	-	-	34,47,670	-	-	-	34,47,670
Other comprehensive income for the year	-	-	-	-	-	3,280	46	3,326
Total comprehensive income for the year	-	-	-	34,47,670	-	3,280	46	34,50,986
Transfer to reserve for bad and doubtful debts	-	4,248	-	(4,248)	-	-	-	-
Balance as at March 31, 2020	11,000	85,356	17,24,670	2,02,30,262	(5,657)	13,430	(2,990)	2,26,56,541
Profit for the year	-	-	-	13,54,728	-	-	-	13,54,728
Other comprehensive income for the year	-	-	-	-	-	(937)	-	(937)
Total comprehensive income for the year	-	-	-	13,54,728	-	(937)	-	13,53,791
Transfer to reserve for bad and doubtful debts	-	(25,600)	-	25,600	-	-	-	-
Balance as at March 31, 2021	11,000	59,756	17,24,670	2,16,10,589	(5,657)	12,507	(2,990)	2,24,00,825

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants

Firm Regn No: 0006565

A.V. Raghava Rao  
Partner

Mem No. 200578



V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A. Nagaswara Reddy  
General Manager - F&A



UDIN: 23200578BGXUFV1126

Place : Vijayawada

Date : October 10, 2021

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Cash Flow Statement for the year ended March 31, 2021  
All amounts are in thousands, unless otherwise stated

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	19,35,518	47,57,038
Adjustments for:		
Interest expense	2,662	1,186
Unwinding of discounting or provisions	10,194	9,912
Interest income	15,33,630	(6,81,802)
Depreciation and amortisation expense	1,67,538	81,561
Provision for bad & doubtful debts	-	3,20,300
Provision for bad & doubtful advances	90,000	2,27,525
Liabilities no longer recognised written back	(203)	(16,591)
<b>Operating profit before working capital changes</b>	<b>16,72,074</b>	<b>46,59,529</b>
Adjustments for:		
Increase/(decrease) in trade payables	2,06,334	6,55,140
Increase/(decrease) in provisions	13,256	51,534
Increase/(decrease) in other financial liabilities	6,19,585	5,05,245
Increase/(decrease) in other liabilities	10,04,774	(1,62,871)
Decrease/(increase) in trade receivables	4,46,918	(3,94,430)
Decrease/(increase) in inventories	(9,41,459)	1,34,726
Decrease/(increase) in other assets	(2,39,112)	(7,37,550)
Decrease/(increase) in other financial assets	(4,43,916)	(5,89,721)
<b>Cash generated from operations</b>	<b>7,19,605</b>	<b>42,36,007</b>
Direct taxes paid (net of refunds)	5,47,943	17,73,937
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,71,657</b>	<b>24,62,070</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, plant and equipment, intangible assets, including intangible assets under development, CWIP and capital advances	(22,02,671)	(8,65,263)
Movements in other bank balance	4,51,218	(5,53,834)
Loans repaid / given to parties	5,88,500	(5,88,500)
Loans repaid / given to staff	(6,295)	(33,853)
Interest received	5,33,630	6,81,802
Proceeds from sale of NSC bonds	15	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6,35,606)</b>	<b>(13,59,707)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(2,462)	(1,186)
Payment of lease liability	(11,392)	(8,067)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(14,054)</b>	<b>(9,249)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>14,78,007</b>	<b>10,93,062</b>
Cash and cash equivalents at the beginning of the year	17,10,992	6,17,930
<b>Cash and cash equivalents at the end of the year</b>	<b>32,32,990</b>	<b>17,10,992</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	175	629
Balances with scheduled banks		
With current accounts	12,32,665	11,10,583
<b>Total cash and cash equivalents (Note 12.1)</b>	<b>12,32,990</b>	<b>17,10,992</b>

The accompanying notes are an integral part of these consolidated financial statements.

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in the AS - 7

As per our report of even date

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578



UDIN: 23200578BGXUFI126

Place Vijayawada

Date: October 10, 2023

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A



## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.





Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest thousands, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



**Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

**e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and GST.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis. Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When part so fan item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.





Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.





Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onward and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.



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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.



Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate



pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The group has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.





**q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 42 for segment information presented.

**r. Leases**

The group has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.





**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.



**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is



classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.





**The Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use asset for the year ended March 31, 2021**

Note -3

Particulars	Gross block			Accumulated depreciation/amortisation			Net block			
	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the Year	Disposal / adjustments/ transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Free hold land	2,80,337	-	-	2,80,337	-	-	-	-	2,80,337	2,80,337
Buildings	43,702	-	-	43,702	19,982	2,918	-	22,900	30,802	29,720
Plant and machinery	2,99,529	11,525	-	3,11,048	95,575	30,012	-	1,35,587	1,75,461	1,03,848
Furniture & fixtures	19,028	57	-	19,085	9,423	2,576	-	11,999	7,297	3,606
Vehicles	19,538	-	-	19,598	9,037	3,308	-	12,345	7,253	10,561
Office equipment	2,00,857	58,661	-	2,59,518	31,005	49,706	-	1,26,313	1,33,206	1,69,852
Mining and equipment	70,901	-	-	70,901	46,732	5,062	-	51,794	19,107	24,169
Data processing equipment	18,475	5,438	-	23,913	14,848	4,253	-	19,101	4,812	3,627
Tire & hose	3,131	-	-	3,131	2,790	129	-	2,919	712	301
Leasehold improvements	25,450	-	-	25,450	19,530	3,187	-	22,717	2,712	5,920
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,653	-	4,03,675	6,53,019	7,31,981
Less: Depreciation capitalised during the year	-	-	-	-	-	368	-	-	-	-
Total	9,81,002	75,692	-	10,56,694	2,49,022	1,54,284	-	4,03,675	6,53,019	7,31,981
Previous year - 2019-20	6,59,454	3,21,948	-	9,81,002	1,78,682	69,365	-	2,49,022	7,31,980	4,80,773
LEASED ASSETS	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the Year	Disposal / adjustments/ transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Right of use asset	33,289	-	-	33,289	8,765	10,142	-	18,906	14,382	24,524
Total	33,289	-	-	33,289	-	10,142	-	18,906	14,382	24,524
Previous year - 2019-20	24,478	8,811	-	33,289	-	8,765	-	8,765	24,524	-
Other intangible assets	Cost as at April 1, 2020	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the Year	Disposal / adjustments/ transfer	Accumulated depreciation as at March 31, 2021	Net block as at March 31, 2021	Net block as at March 31, 2020
Computer software	3,352	-	-	3,353	2,650	281	-	2,911	447	723
Mining Property	46,554	-	-	46,554	2,736	2,891	-	5,567	40,988	43,818
Total	49,907	-	-	49,907	5,386	3,172	-	8,478	41,430	44,542
Previous year - 2019-20	5,329	44,578	-	49,907	2,435	2,933	-	5,366	44,541	7,894
Exploration intangible assets under development	62,71,043	21,38,825	-	84,09,818	-	-	-	-	84,09,818	62,71,043
Previous year - 2019-20	57,97,120	4,73,923	-	62,71,043	-	-	-	-	62,71,043	57,97,120
Capital work in progress	13,830	-	11,525	2,305	-	-	-	-	2,305	13,830
Previous year - 2019-20	-	13,830	-	13,830	-	-	-	-	13,830	-





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4	Non-current Investments	As at March 31, 2021	As at March 31, 2020
	Unquoted equity Instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCCL, Puliyem coal company limited 5,118 equity shares (March 31, 2020: 5,118) of Rs 10/- each fully paid up	51	51
	Less: Provision made for diminution in the value of shares	(51)	(51)
	ii. M/s. Nuggaon coal company limited 3,000 equity shares (March 31, 2020: 3,000) of Rs 110/- each fully paid up	5,957	5,957
	Less: Provision made for diminution in the value of shares	(5,957)	(5,957)
	iii. M/s. Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2020: 56,100) of Rs 10/- each fully paid up	561	561
	Less: Provision made for diminution in the value of shares	(561)	(561)
	iv. M/s. Andhra phosphate private limited, 1,110 equity shares (March 31, 2020: 1,110) of Rs 100/- each fully paid up	1,110	1,110
	Less: Provision made for diminution in the value of shares	(1,110)	(1,110)
	Investment in Associates		
	v. M/s. Aswar Mineral development private limited, 65,000 equity shares (March 31, 2020: 65,000) of Rs 10/- each fully paid up	650	650
	Less: Provision made for diminution in the value of shares	(650)	(650)
	vi. M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	vii. M/s. Arham Minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	viii. M/s. Isha Minerals exports private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	ix. M/s. Mangalgarh granite private limited 1,30,000 equity shares (March 31, 2020: 1,30,000) of Rs 10/- each fully paid up	1,300	1,300
	Less: Provision made for diminution in the value of shares	(1,300)	(1,300)
	x. M/s. Ongole minerals exports private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xi. M/s. MLP granites private limited 3,25,000 equity shares (March 31, 2020: 3,25,000) of Rs 10/- each fully paid up	3,250	3,250
	Less: Provision made for diminution in the value of shares	(3,250)	(3,250)
	xii. M/s. A.P. coastal sands & metals private limited, 13,000 equity shares (March 31, 2020: 13,000) of Rs 10/- each fully paid up	130	130
	Less: Provision made for diminution in the value of shares	(130)	(130)
	xiii. M/s. Andhra Pradesh tubular mining private limited 28,600 equity shares (March 31, 2020: 28,600) of Rs 10/- each fully paid up	286	286
	Less: Provision made for diminution in the value of shares	(286)	(286)



<b>Investment in Joint Ventures</b>		
i. M/s A.P. granites (india) private limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs 10/- each fully paid up	42,101	11,285
ii. M/s Alliance A.P. black galaxy granites private limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
iii. M/s. Pallava red granites private limited 11,00,000 equity shares (March 31, 2020: 11,00,000) of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	11,000 (11,000)	11,000 (11,000)
iv. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares (March 31, 2020: 1,320) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
v. M/s Andhra baryte corporation private limited 8,52,500 equity shares (March 31, 2020: 8,52,500) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	8,525 (8,525)	8,525 (8,525)
vi. M/s Andhra Pradesh iron ore company limited 6,090 equity shares (March 31, 2020: 6,090) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	69 (69)	69 (69)
vii. M/s Trimer corallo private limited 4,50,000 equity shares (March 31, 2020: 4,50,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares	4,500 (4,500)	4,500 (4,500)
viii. M/s V.V. Minerals private limited 1,100 equity shares (March 31, 2020: 1,100) of Rs 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	7,098	7,113
Less: Provision made for doubtful investment	(7,087)	(7,087)
	<b>42,113</b>	<b>11,312</b>
<b>Aggregate amount of quoted investments - Market value</b>		
Aggregate amount of quoted investments - Book value		
Aggregate amount of unquoted investments	42,113	11,312
Aggregate amount of impairment	57,617	57,617
Aggregate Provision made for doubtful investment	7,087	7,087
<b>5</b>		
<b>Loans (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Deposits with others		
Unsecured, considered good	10,883	10,382
Unsecured, considered doubtful	9,320	9,350
Less: Provision for doubtful debts	(9,320)	(9,350)
Loans to others		
Unsecured, considered good	1,00,000	1,40,000
Loan to AP State fiber net limited Refer Note 49		
Loans and advances to employees		
Unsecured, considered good	38,741	35,027
Unsecured, considered doubtful	854	854
Less: Allowance for bad and doubtful debts	(854)	(854)
<b>Total</b>	<b>1,48,124</b>	<b>5,35,409</b>



6	Other financial assets (Non-current)	As at	As at
		March 31, 2021	March 31, 2020
	Unsecured, considered good - Refer note: 40		
	Balance in current accounts (Freezed)	18,007	17,412
	Long term bank deposits	88,66,106	78,58,833
	Sweep accounts	33,873	15,994
	Unsecured, considered doubtful		
	Balance in post office savings account	4,042	4,042
	Less: Provision for doubtful	(4,042)	(4,042)
	<b>Total</b>	<b>86,62,186</b>	<b>79,32,231</b>
7	Deferred tax asset (Net)	As at	As at
		March 31, 2021	March 31, 2020
	Deferred tax asset		
	Property, plant & equipment	22,361	4,299
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	1,179	1,335
	Provision for decommissioning costs	28,690	26,688
	Provision for lease liability / assets	722	862
	Provision for bad & doubtful debts, investments & advances	2,30,097	1,87,458
	<b>Total deferred tax asset</b>	<b>2,61,879</b>	<b>2,18,643</b>
	Deferred tax liability		
	Investment	(2,517)	(2,517)
	<b>Total deferred tax liability</b>	<b>(2,517)</b>	<b>(2,517)</b>
	<b>Net deferred tax asset</b>	<b>2,61,879</b>	<b>2,18,126</b>
8	Non-current tax assets	As at	As at
		March 31, 2021	March 31, 2020
	Income tax		
	Corporate tax receivable	8,25,414	8,85,414
	<b>Total</b>	<b>8,25,414</b>	<b>8,85,414</b>
9	Other non-current assets	As at	As at
		March 31, 2021	March 31, 2020
	A) Capital advances		
	Unsecured, considered good	2,39,367	2,35,387
	Unsecured, considered doubtful	26,013	26,023
	Provision for doubtful advances	(26,013)	(26,023)
		<b>2,39,367</b>	<b>2,35,387</b>
	B) Advances other than capital advances		
	Unsecured, considered good	10,51,718	13,90,934
	Unsecured, considered doubtful	1,78,893	48,893
	Less: Provision for doubtful advances	(1,78,893)	(48,893)
		<b>19,51,718</b>	<b>13,90,934</b>
	C) Others - specified		
	Unsecured, considered good	13,56,115	13,43,855
	Unsecured, considered doubtful	1,98,772	1,98,875
	Less: Provision for doubtful advances	(1,98,772)	(1,98,875)
	Prepaid expenses	157	658
	<b>Total</b>	<b>35,57,370</b>	<b>29,76,834</b>
10	Inventories	As at	As at
		March 31, 2021	March 31, 2020
	Finished goods	17,16,355	1,73,484
	Less: Provision for obsolete stock	(1799)	(1799)
	Stores and spares	13,720	13,116
	<b>Total</b>	<b>17,29,280</b>	<b>1,85,801</b>



11	Trade receivables (Current)	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good	10,42,706	10,89,634
	Unsecured, considered credit impaired	3,77,960	3,77,960
	Less: Impairment allowance for doubtful debts	(5,77,960)	(3,77,960)
	Total	10,42,706	10,89,634
12	Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
	Cash and cash equivalents		
	Balances with banks:-		
	in current accounts	12,32,665	17,10,383
	Cash on hand	325	609
	(A)	12,32,990	17,10,993
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	1,02,676	55,894
	(B)	1,02,676	55,894
	Total	13,35,666	22,64,887
13	Loans (Current)	As at March 31, 2021	As at March 31, 2020
	Loans to others		
	Unsecured, considered good		
	Loan to AP state finance limited & Mchhappanagar Urban Development Authority Refer Note: 49 & 50	27,00,000	43,50,000
	Others Refer Note: 53		5,88,500
	Loans and advances to employees		
	Unsecured, considered good	11,358	8,783
	Total	27,11,358	30,47,283
14	Other financial assets (Current)	As at March 31, 2021	As at March 31, 2020
	Advances receivable in cash		
	Unsecured, considered good	-	3,315
	Interest accrued on deposits		
	Unsecured, considered good	3,33,766	4,96,490
	Unsecured, considered doubtful	24,423	24,318
	Less: Provision made	(24,423)	(24,318)
	Total	3,33,766	4,99,805
15	Other current assets	As at March 31, 2021	As at March 31, 2020
	A) Advances recoverable		
	Unsecured, considered good	55,011	37,332
		55,011	37,302
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	12,45,037	1,26,632
	Prepaid expenses	52,190	50,749
	Others	35,041	48,556
	Total	13,35,268	2,15,937
	Total	13,35,268	2,15,937







<p>iii. RUP granites private limited 3,25,000 equity shares(March 31, 2020: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>3,250 (3,250)</p>	<p>3,250 (3,250)</p>
<p>vi. M/s A.P granites(midwest) private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up</p>	<p>11,000</p>	<p>11,000</p>
<p>vii. M/s.Alliance A.P.black galaxy grinites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>11,000 (11,000)</p>	<p>11,000 (11,000)</p>
<p>viii. M/s.Palava red granites private limited 11,00,000 equity shares(March 31, 2020: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>11,000 (11,000)</p>	<p>11,000 (11,000)</p>
<p>ix. M/s A.P.issatla sands &amp; meters private limited, 13,000 equity shares(March 31, 2020: 13,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>130 (130)</p>	<p>130 (130)</p>
<p>x. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2020: 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>561 (561)</p>	<p>561 (561)</p>
<p>xi. M/s Gimpes AP barytes beneficiation private limited 1,130 equity shares(March 31, 2020: 1,130) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>11 (11)</p>	<p>11 (11)</p>
<p>xii. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2020: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>8,525 (8,525)</p>	<p>8,525 (8,525)</p>
<p>xiii. M/s.Andhra Pradesh iron ore company limited 6,690 equity shares(March 31, 2020: 6,690) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	<p>69 (69)</p>	<p>69 (69)</p>
<p>xiv. M/s Tri mela baryte private limited 4,50,000 equity shares(March 31, 2020: 4,50,000) of Rs.10/- each full paid up Less: Provision made for diminution in the value of shares</p>	<p>4,500 (4,500)</p>	<p>4,500 (4,500)</p>
<p>xv. M/s V.V. minerals private limited 1,100 equity shares(March 31, 2020: 1,100) of Rs.100/- each full paid up Less: Provision made for diminution in the value of shares</p>	<p>110 (110)</p>	<p>110 (110)</p>
<p>Other comprehensive income</p>	<p>11,000</p>	<p>11,000</p>
<p>Opening balance</p>	<p>4,797</p>	<p>1,963</p>
<p>Other comprehensive income for the year</p>	<p>(937)</p>	<p>3,132</p>
<p>Add/(Less): Transferred from/(to); retained earnings</p>	<p>-</p>	<p>-</p>
<p>Closing balance</p>	<p>3,860</p>	<p>4,797</p>
<p>Reserve for bad and doubtful debts</p>		
<p>Opening balance</p>	<p>85,156</p>	<p>81,108</p>
<p>Add/(Less): Transferred from to profit and loss account</p>	<p>(42,609)</p>	<p>1,249</p>
<p>Closing balance</p>	<p>42,547</p>	<p>85,356</p>
<p>General reserve</p>		
<p>Opening balance</p>	<p>17,21,622</p>	<p>17,24,670</p>
<p>Impact of transition to Ind AS 115</p>	<p>-</p>	<p>(3,048)</p>
<p>Closing balance</p>	<p>17,21,622</p>	<p>17,21,622</p>



<b>Retained earnings</b>		
Opening balance	2,02,37,310	1,67,88,925
Add/(Less): Profit for the year	33,54,728	34,47,629
	<b>2,35,92,038</b>	<b>2,02,37,557</b>
Less: Appropriations		
Reserve for bad and doubtful debts	(25,605)	4,248
Total Appropriations	<b>(25,605)</b>	<b>4,248</b>
Closing balance	<b>2,16,13,647</b>	<b>2,02,39,310</b>
<b>Total</b>	<b>2,34,09,876</b>	<b>2,20,56,084</b>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of retained earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

<b>18</b>	<b>Other financial liabilities (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Expenses payable against infrastructure development	68,714	68,714
	Deposit	17,280	17,280
	Others	31,68,908	29,87,184
	<b>Total</b>	<b>32,54,902</b>	<b>30,73,179</b>

<b>19</b>	<b>Provisions (Non-current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Provision for others		
	Provision for decommissioning cost	1,13,994	1,06,041
	<b>Total</b>	<b>1,13,994</b>	<b>1,06,041</b>

<b>20</b>	<b>Other non-current liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Others		
	Statutory liabilities	25,432	25,432
	<b>Total</b>	<b>25,432</b>	<b>25,432</b>

<b>21</b>	<b>Trade payables (Current)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
	Trade payables		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	10,70,340	8,64,306
	<b>Total</b>	<b>10,70,340</b>	<b>8,64,306</b>

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED) Act, have been determined based on the information available with the company and the required disclosures are given below.

<b>Particulars</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 15 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.



22	Other financial liabilities (Current)	As at March 31, 2021	As at March 31, 2020
	Salaries & other benefits payable	23,954	16,542
	Earnout money and security deposits from customers	4,75,800	2,85,763
	Other payables	7,51,922	5,22,643
	Total	12,51,676	8,24,948
23	Other current liabilities	As at March 31, 2021	As at March 31, 2020
	Advance from customers	1,02,011	85,128
	Statutory liabilities	12,79,847	3,91,591
	Unknown receipts/suspense	11,775	3,712
	Total	14,88,965	4,84,731
24	Current tax liabilities	As at March 31, 2021	As at March 31, 2020
	Provision for income tax	4,44,703	5,69,655
	Total	4,44,703	5,69,655



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25	Revenue from operations	For the year ended March 31, 2021	For the year ended March 31, 2020
	Sale of products	48,97,311	1,00,28,744
	Sale of services		
	Agency services including transportation	1,28,74,328	31,19,243
	Others	4,08,580	1,48,924
	Total	1,81,80,219	1,32,96,911
26	Other income	For the year ended March 31, 2021	For the year ended March 31, 2020
	Interest income		
	Bank deposits	4,67,457	6,26,125
	Loans	267	333
	Others	65,906	55,366
	Other non operating income		
	Rent receipts	673	863
	Forfeiture of security deposit	15,574	1,500
	Sale of tender documents	2,743	4,984
	Liabilities no longer required written back	203	46,590
	Penalties on buyers and sellers	-	8,370
	Other miscellaneous income	61	32,070
	Total	5,52,882	7,75,977
27	Profit after tax for the year (A)	For the year ended March 31, 2021	For the year ended March 31, 2020
	Packing material		8,191
	Total	-	8,191
28	Changes in inventories of finished goods	For the year ended March 31, 2021	For the year ended March 31, 2020
	a) Opening stock of finished goods	7,73,484	9,14,429
		7,73,484	9,14,429
	b) Closing stock of finished goods	17,16,359	7,73,484
		17,16,359	7,73,484
	Changes in inventories of finished goods	(9,42,875)	1,40,945
29	Employee benefit expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Salaries and wages	2,55,565	2,64,365
	Contribution to provident fund and other funds	31,887	48,443
	Staff welfare expenses	27,540	24,950
	Total	3,14,992	3,37,758
30	Finance costs	For the year ended March 31, 2021	For the year ended March 31, 2020
	Unwinding of discount on provision	10,194	9,913
	Interest	2,662	1,126
	Total	12,856	11,039



31	Depreciation and amortization expense	For the year ended March 31, 2021	For the year ended March 31, 2020
	Depreciation of property, plant and equipment	1,54,284	72,320
	Amortization of intangible assets	3,112	465
	Depreciation on right of use assets	10,142	8,765
	<b>Total</b>	<b>1,67,538</b>	<b>81,551</b>
32	Power and fuel	For the year ended March 31, 2021	For the year ended March 31, 2020
	Power and fuel	57,966	41,748
	<b>Total</b>	<b>57,966</b>	<b>41,748</b>
33	Excavation & transport charges	For the year ended March 31, 2021	For the year ended March 31, 2020
	Excavation & transport charges for run of mine	4,78,707	3,54,964
	Excavation & transport charges for overburden	24,29,259	22,78,171
	<b>Total</b>	<b>28,57,966</b>	<b>26,33,135</b>
34	Other expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
	Rents	6,747	2,681
	Repairs & maintenance	18,249	10,126
	Insurance	1,273	1,153
	Rates and taxes		
	Royalty	4,71,645	3,62,948
	DMF	1,40,895	2,54,397
	NMFT	9,393	16,955
	Cess	21,556	53,166
	Other rates and taxes	18,388	1,48,764
	Other expenses		
	Operating expenses	27,812	20,065
	Expenses for agency services	1,21,11,184	30,50,874
	Discount on sales	88,918	62,485
	Miling charges	-	19,140
	Transport and wagon loading charges	24,729	74,684
	Selling expenses	23,612	96,039
	New project expenses	1,69,836	5,945
	Office & general expenses	81,372	78,488
	Payment on auditors (refer note no 3d ii)	750	750
	Audit fee for other auditors	730	450
	Printing & stationery	12,921	7,740
	Corporate social responsibility expenses	1,02,271	73,080
	Remuneration to out sourced services	8,12,396	4,62,073
	Provision for doubtful debts	-	3,20,300
	Provision for doubtful advances	90,000	2,12,975
	Data processing charges	11,846	7,751
	Rehabilitation expenses	12,953	11,830
	Donations	98,615	13
	All miscellaneous expenditure	157	614
	<b>Total</b>	<b>1,43,60,306</b>	<b>60,92,311</b>





34.3	Payment to auditors	For the year ended March 31, 2021	For the year ended March 31, 2020
	Statutory audit fee	750	750
	<b>Total</b>	<b>750</b>	<b>750</b>
35	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:		
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Current tax:		
	Current income tax charge	6,23,035	14,14,594
	<b>Total (a)</b>	<b>6,23,035</b>	<b>14,14,594</b>
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	(42,227)	(1,10,184)
	<b>Total (b)</b>	<b>(42,227)</b>	<b>(1,10,184)</b>
	<b>Total</b>	<b>5,80,789</b>	<b>13,04,409</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2021	For the year ended March 31, 2020
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(1,051)	970
	Leave encashment	(163)	2,309
	Deferred tax on above items		46
	<b>Total</b>	<b>(1,214)</b>	<b>3,325</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Profit/(loss) before tax as per statement of profit and loss	19,04,983	47,46,101
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed Tax Expense	4,79,446	11,94,496
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	(42,227)	(1,10,184)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR Expenditure	25,740	18,494
	b) Change in depreciation	26,299	5,418
	c) Provision for doubtful items	22,651	1,36,719
	d) Other items	74,880	59,564
	<b>Total income tax expense for the year</b>	<b>5,80,789</b>	<b>13,04,409</b>



**36. Contingent liabilities and Commitments**

(to the extent not provided for)

All amounts are in thousands, unless otherwise stated

Sl.no	Particulars	As at 31.03.2021	As at 31.03.2020
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,80,785	9,80,785
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,56,957	4,56,957
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities	62,196	62,196
iv	Dispute towards reimbursement of service tax, collected from barytes buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	60,000	60,000
v	<p>The corporation is contributing MRTU fund as per G.O.RT No.737, dt 29-03-1997 and as per the GO, the corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O Ms.No.18, dt 13-01-2016 issued a G.O rechristening of DMRTUF trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt 13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>60,30,636</p> <p>4,63,303</p>	<p>51,36,610</p> <p>8,94,026</p>
vi	<p>As per the assessment order issued by the sales tax / vat authorities for the years 1998-99 to 2019-20, the total demand raised, deposits made and remaining un paid amount.</p> <p>{Details given below}</p>	<p>57,583</p>	<p>57,583</p>



<b>B</b>	Contingent liability on BG's:		
	Bank Guarantees furnished to different Departments on behalf of the company.	63,00,000	63,00,000
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of assessment orders issued by the sales tax / vat authorities for the years 1998-1999 to 2020-2021, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	441	153	287
1999-00	Explosives	429	92	336
2000-01	Explosives	678	169	508
2002-03	Explosives	-	432	-
2003-04	Explosives	-	50	-
2004-05	Explosives	301	301	-
2005-06	Explosives	4,515	4,515	-
2006-07	Explosives	5,039	5,039	-
2007-08	Explosives	3,143	3,143	-
2007-08	Penalty	786	393	393
2008-09	Explosives & Consideration.	20,094	10,047	10,047
2008-09	Penalty	5,024	1,675	3,349
2008-09	Interest	603	-	603
2009-12	Consideration	66,888	43,593	23,296
2009-12	Penalty	16,722	8,361	8,361
<b>Total - A</b>		<b>1,24,662</b>	<b>77,964</b>	<b>47,180</b>
Less: Share of TSMDC		-	(31,104)	-
Share of APMDC		-	<b>46,860</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		16,801	8,510	8,291
2014-15- Penalty		4,212	2,100	2,112
<b>Total - B</b>		<b>21,013</b>	<b>10,611</b>	<b>10,402</b>
<b>Grand total</b>		<b>1,45,675</b>	<b>57,471</b>	<b>57,583</b>

\*(There is no change in current year figures with previous year figures)



### 37. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial assets:</b>					
Investments	-	-	42,113	-	42,113
Loans	-	6,670	30,53,822	-	30,60,492
Trade receivables	-	-	10,42,706	-	10,42,706
Cash and cash equivalents	-	-	12,32,990	-	12,32,990
Other bank balances	-	-	1,02,676	-	1,02,676
Other financial assets	-	-	88,95,953	-	88,95,953
<b>Total</b>	-	<b>6,670</b>	<b>1,43,70,260</b>	-	<b>1,43,76,930</b>
<b>Financial liabilities:</b>					
Trade payables	-	-	-	10,70,340	10,70,340
Other financial liabilities	-	-	-	45,06,318	45,06,318
<b>Total</b>	-	-	-	<b>55,76,658</b>	<b>55,76,658</b>

As at 31st March, 2020

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets - Amortised cost	Financial Liabilities - Amortised cost	
<b>Financial assets:</b>					
Investments	-	-	11,312	-	11,312
Loans	-	6,237	36,36,460	-	36,42,697
Trade receivables	-	-	14,89,634	-	14,89,634
Cash and cash equivalents	-	-	17,10,993	-	17,10,993
Other bank balances	-	-	5,53,894	-	5,53,894
Other financial assets	-	-	84,52,036	-	84,52,036
<b>Total</b>	-	<b>6,237</b>	<b>1,58,54,329</b>	-	<b>1,58,60,566</b>
<b>Financial liabilities:</b>					
Trade payables	-	-	-	8,64,306	8,64,306
Other financial liabilities	-	-	-	38,98,126	38,98,126
<b>Total</b>	-	-	-	<b>47,62,432</b>	<b>47,62,432</b>





### 3B. Financial risk management

#### A. Management of credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2020-21	2019-20
Ageing	>12 Months	>12 Months
Gross carrying amount	3,77,960	3,77,960
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,77,960	3,77,960
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2020-21	2019-20
Ageing	<12 Months	<12 Months
Gross carrying amount	10,42,706	14,89,634
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	10,42,706	14,89,634

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit	
	2020-21	2019-20
Selling price increase by 5%		
Barytes	2,65,295	5,08,883
Agency services	6,43,716	1,55,962
Selling price decrease by 5%		
Barytes	(2,65,295)	(5,08,883)
Agency services	(6,43,716)	(1,55,962)



**b. Packing material price risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Increase by 5%	Increase by 5%	Decrease by 5%
Product name:				
Packing material	-	-	(410)	410

**c. Excavation & transport charges risk**

Particulars	Impact on profit			
	2020-21		2019-20	
	Increase by 5%	Increase by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(21,435)	21,435	(16,748)	16,748
Excavation & transport charges for overburden	(1,21,463)	1,21,463	(1,13,909)	1,13,909

**39. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2021**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,70,340	10,70,340	10,70,340	-
Non-current financial liabilities	32,54,943	32,54,943	-	32,54,943
Current financial liabilities	12,51,376	12,51,376	12,51,376	-
<b>Total</b>	<b>55,76,659</b>	<b>55,76,659</b>	<b>23,21,716</b>	<b>32,54,943</b>



As at 31st March 2020

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,64,306	8,64,306	8,64,306	-
Non-current financial liabilities	30,73,179	30,73,179	-	30,73,179
Current financial liabilities	8,24,948	8,24,948	8,24,948	-
<b>Total</b>	<b>47,62,433</b>	<b>47,62,433</b>	<b>16,89,254</b>	<b>30,73,179</b>

#### 40. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2021	As at 31-03-2020
Employers contribution to provident fund	8,872	8,919
Employers contribution to pension fund	5,110	5,442

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March 2020

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	59,039	63,703	54,194	54,884
Service cost	2,102	2,362	1,901	2,072
Interest expenses	3,316	4,467	3,121	4,029
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(17,884)	(10,930)	(14,107)	(4,717)
Remeasurements - actuarial (gains)/losses	1,075	(563)	210	(2,074)
<b>Benefit obligations at the end</b>	<b>47,548</b>	<b>59,039</b>	<b>45,319</b>	<b>54,194</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
<b>Change in face value of plan Assets</b>				
Fair value of plan assets at the beginning	61,363	64,506	88,864	68,073
Interest income	3,497	4,683	5,449	5,807
Employer contributions	812	4,026	1000	19,992
Benefits payments from plan assets	(17,885)	(12,259)	(14,107)	(5,243)
Actuarial gain / (loss) on plan assets	25	406	43	235
<b>Benefit obligations at the end</b>	<b>47,812</b>	<b>61,363</b>	<b>81,249</b>	<b>88,864</b>

**ii. Amount recognized in the balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
PV of obligations at the end of the year	47,649	59,039	45,319	54,194
Fair value of plan assets at the end of the year	47,812	61,363	81,249	88,864
Liability(+) / Asset (-) recognised in the balance sheet	(163)	(2,324)	(35,930)	(34,670)

**iii. Amount recognized in the statement of profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Service cost	2,102	2,362	1,901	2,072
Interest expenses	(180)	(216)	(2,328)	(1,778)
<b>Net expense recognised</b>	<b>1,922</b>	<b>2,146</b>	<b>427</b>	<b>294</b>



iv. Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Actuarial (gain) / losses on obligations for the period	1,075	(563)	210	(2,074)
Actuarial (gain) / losses on plan assets for the period	25	(406)	43	(235)
<b>Net expense recognised</b>	<b>1,100</b>	<b>(970)</b>	<b>253</b>	<b>(2,309)</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Rate of discounting	6.77%	6.62%	6.77%	6.62%
Rate of salary increase	4.00%	4.00%	4.00%	4.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.07	11.42	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Expected cash flow in year 1	5,959	22,239	10,475	22,842
Expected cash flow in year 2	3,575	6,477	7,283	8,451
Expected cash flow in year 3	7,270	5,995	8,216	6,726
Expected cash flow in year 4	6,641	6,801	6,466	6,548
Expected cash flow in year 5	5,528	2,474	5,035	3,706
Expected cash flow in year 6	3,973	4,062	3,817	3,546
Expected cash flow in year 7	4,535	4,467	3,536	3,611
Expected cash flow in year 8	5,035	1,461	3,645	1,646
Expected cash flow in year 9	1,643	7,323	1,704	2,922
Expected cash flow in year 10	8,299	2,761	2,973	1,400





**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	47,649	59,039	0.00%	0.00%
Salary escalation - Up by 1%	50,936	61,802	6.90%	4.70%
Salary escalation - Down by 1%	44,658	56,512	-6.28%	-4.30%
Withdrawal rates - Up by 1%	48,095	59,362	0.94%	0.50%
Withdrawal rates - Down by 1%	47,154	58,682	-1.04%	-0.60%
Discount rates - Up by 1%	45,043	56,933	-5.47%	-3.60%
Discount rates - Down by 1%	50,567	61,386	6.12%	4.00%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs.In.'000')		(% of change)	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Under base scenario	45,319	54,194	0.00%	0.00%
Salary escalation - Up by 1%	47,281	55,996	4.30%	3.30%
Salary escalation - Down by 1%	43,472	52,485	-4.10%	-3.20%
Withdrawal rates - Up by 1%	45,484	54,317	0.40%	0.20%
Withdrawal rates - Down by 1%	45,143	54,064	-0.40%	-0.20%
Discount rates - Up by 1%	43,802	52,914	-3.30%	-2.40%
Discount rates - Down by 1%	46,958	55,573	3.60%	2.50%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.



**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**41. Earnings per share (EPS)**

Particulars	As at 31-03-2021	As at 31-03-2020
Profit after tax before exceptional items	13,54,728	34,47,629
Add: exceptional items	-	-
Profit after tax after exceptional items	13,54,728	34,47,629
Profit available for equity shareholders	13,54,728	34,47,629
Weighted number of equity shares outstanding	63,062	63,062
Nominal value of equity share	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	21,482.48	54,670.47
Basic and diluted earnings per share (In Rupees) – after exceptional item	21,482.48	54,670.47

**42. Segment Information****i. Description of segment and principal activities**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.



**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 31,70,242/- Thousands (P.Y 67,28,557/- Thousands) is derived from three customers and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2020-21**

Particulars	For the year ended 2020-21		
	Mining projects	Sand operations	Unallocated
<b>Segment revenue</b>			
External revenue *	53,05,891	1,28,74,328	-
<b>Total segment revenue</b>	<b>53,05,891</b>	<b>1,28,74,328</b>	<b>-</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21		
	Mining projects	Sand operations	Unallocated
<b>Segment results</b>			
Profit / (Loss)	20,76,905	70,699	-
Unallocated other income	-	-	4,99,382
Unallocated expenses and finance cost	-	-	(7,42,004)
<b>Profit before exceptional items and tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,42,622)</b>
Exceptional items			
Profit on investment in JV	-	-	30,535
<b>Profit before tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(2,12,087)</b>
Income tax - current	-	-	6,23,016
Deferred tax	-	-	(42,227)
<b>Profit after tax</b>	<b>20,76,905</b>	<b>70,699</b>	<b>(7,92,876)</b>
<b>Other Information</b>			
Segment assets **	47,27,877	15,14,533	2,50,80,270
Segment liabilities **	11,90,143	16,95,868	49,63,732
Capital work in progress	-	2,305	-
Depreciation and amortisation	30,255	1,16,550	20,733
Non-cash expense other than depreciation and amortisation	-	-	90,506



\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

1. Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the financial year 2019-20**

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	1,01,77,668	31,19,243	-	1,32,96,910
<b>Total segment revenue</b>	<b>1,01,77,668</b>	<b>31,19,243</b>		<b>1,32,96,910</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2019-20			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit / (Loss)	52,14,843	(4,07,508)	-	48,07,335
Unallocated other income			7,27,512	7,27,512
Unallocated expenses and finance cost			(7,88,745)	(7,88,745)
<b>Profit before exceptional items and tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(61,233)</b>	<b>47,46,101</b>
<b>Exceptional items</b>				
Profit on investment in JV			5,938	5,938
<b>Profit before tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(55,295)</b>	<b>47,52,039</b>
Income tax - current			14,14,594	14,14,594
Deferred tax			(1,10,184)	(1,10,184)
<b>Profit after tax</b>	<b>52,14,843</b>	<b>(4,07,508)</b>	<b>(13,59,705)</b>	<b>34,47,629</b>
<b>Other information</b>				
Segment assets **	42,81,513	14,17,756	2,23,67,649	2,80,66,918
Segment liabilities **	10,25,741	10,88,149	38,33,882	59,47,772
Capital work in progress		13,830		13,830
Depreciation and amortisation	36,956	21,768	22,837	81,561
Non-cash expense other than depreciation and amortisation	3,20,754	1,82,144	40,769	5,43,667

\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

1. Segment assets and liabilities are subject to reconciliation



### 43. Related party transactions

#### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2021	As at 31-03-2020
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

#### Key Management Personal:

Name of the related party	Relation
Sri M. Madhusudhan Reddy I.R.A.S (16.09.2019 to 20.05.2020)	Vice Chairman & Managing Director
Sri Hari Narayanan I.A.S (01.06.2020 to 01.02.2021)	Vice Chairman & Managing Director
Sri VG Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

#### Others

Name of the related party	Relation
AP state Fibrenet limited	Fellow Government company / Authority
Machilipatnam Urban Development Authority	
Royalaseema Steel Corporation limited	
AP High Grade Steel limited	





**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,24,655
Pallavared granite private limited	62,855

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2021	As at 31-03-2020
Andhra Pradesh granite (Midwest) private limited	83,980	1,50,844
Pallavared granite private limited	87,586	59,427
SRAP minerals private limited	4,503	4,503
Machilipatnam Urban Development Authority	19,726	19,726

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2021	As at 31-03-2020
SRAP minerals private limited	4,503	4,503
Andhra Pradesh granite (Midwest) private limited	23,717	23,717
Machilipatnam Urban Development Authority	19,726	19,726
Pallavared granite private limited	10,744	10,744

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2021	As at 31-03-2020
Ongole iron ore mining company private limited	561	561
Andhra phosphate private limited	1,110	1,110
APMDC SCCI Suliya coal company limited	51	51
Nuagon coal company limited	5,957	5,957
<b>Total</b>	<b>7,679</b>	<b>7,679</b>
Investment derated/provision	7,679	7,679
Investment in joint ventures	As at 31-03-2021	As at 31-03-2020
Andhra baryte corporation private limited	8,525	8,525
Andhra Pradesh iron ore company limited	69	69
Gimpex AP barytes beneficiation private limited	13	13
Trimex baryte private limited	4,500	4,500
Andhra Pradesh granite (Midwest) private limited	11,000	11,000
Pallavared granite private limited	11,000	11,000
V.V minerals private limited	110	110
Alliance Andhra Pradesh black granites private limited	11,000	11,000
<b>Total</b>	<b>46,217</b>	<b>46,217</b>
Investment derated/provision	35,217	35,217



Investment in associates	As at 31-03-2021	As at 31-03-2020
Aswani mineral development private limited	650	650
Arham minerals exports private limited	1,300	1,300
Isra minerals exports private limited	1,300	1,300
Margasree granites private limited	1,300	1,300
Ongule minerals exports private limited	3,250	3,250
RLP granites private limited	3,250	3,250
SRAP minerals private limited	3,250	3,250
AP coastal sand & metals private limited	130	130
Andhra Pradesh tribal mining private limited	286	286
<b>Total</b>	<b>14,716</b>	<b>14,716</b>
Investment derated/provision	14,716	14,716

maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.

- ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at sand reaches and stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation, internal transportation expense have been based on the certification by the district sand officer/ district sand In charge (DSO /DSI). The relevant office documents that authorize an individual as district sand officer/ district sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.



- e. The data from the software developed by M/s Code Tree Software Solutions was used for recognizing agency Income and transportation income. However, on conclusion of the sand operations in May 2021, the sand portal as well as the agreement with M/s Code Tree was discontinued. Despite several requests, Code Tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.
- f. Regarding the door delivery of sand
- Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
  - Considering the voluminous of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the sand portal. Basic KYC details such as Name, PAN. etc. regarding sand door delivery transporters were not available on record.
  - Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on sand portal data and the transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.
- g. The details of the receipts have not been provided to us by director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs. 50,91,93,352/- is subject to reconciliation for want of records.
- h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i. The vouchers nor supporting's were maintained for the bulk payments of door delivery of transportation of sand and boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j. Further, due to no standard operating procedures approved for sand as such, there were many cases where sand receipt amounts were received from end customers directly in our bank account without routing it through director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with director of mines and geology. The receipts were received in





various mode of payments such as DDs, UPIs and cash directly deposited in our Bank Account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with director of mines and geology.

k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:

i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).

ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.

iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.

Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.

iv. No verification of basic KYC details of the Boatsman Societies such as PAN, Proof of constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of financial year.

v. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supporting's for the above-mentioned prices are not available with the company.

vi. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the district administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.

l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.





**45. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Dngole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Dngole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.



Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.

#### 46. Deferred tax asset /(liability)

Particulars	As at 31-03-2021	As at 31-03-2020
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	2,279	2,335
Provision for decommissioning asset	28,690	26,688
Property, plant and equipment	22,081	4,299
Other provisions	2,10,820	1,88,320
<b>Total deferred tax asset</b>	<b>2,63,870</b>	<b>221,643</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Investments	2,517	2,517
<b>Total deferred tax liability</b>	<b>2,517</b>	<b>2,517</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,61,353</b>	<b>2,19,126</b>



#### 47. CSR expenditure

- a. Gross amount required to be spent by the company during the year is Rs.85,707 (Previous Year Rs.88,324).
- b. Amount spent during the year

Particulars	Year ended 31-03-2021	Year ended 31-03-2020
Construction/ acquisition of any assets	-	-
Purpose other than above	1,02,271	73,084

#### 48. Treatment of demerger plan in the books of accounts

- a. The AP re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana
- b. Section 53 of the AP re-organization Act 2014 provides the basis and procedure for distribution of assets & liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined state of Andhra Pradesh) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger Plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (Head Office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh State Government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities



Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's funds</b>			
Share capital	63,062	36,778	26,284
Reserve & surplus	1,04,28,142	60,81,692	43,46,449
Deferred Govt. grants	19	11	8
<b>Current/Non-current liabilities</b>			
Deferred tax liability	2,358	1,375	983
Trade payables	23,38,003	13,63,524	9,74,480
Other current liabilities	6,66,827	3,88,894	2,77,934
Provisions	1,07,230	62,536	44,693
<b>Total</b>	<b>1,36,05,641</b>	<b>79,34,810</b>	<b>56,70,831</b>

Assets	Common Pool	AP	TS
<b>Non-current assets</b>			
Property, plant and equipment	34,405	20,065	14,340
Non-current investment	49,944	29,128	20,817
Loans & advances	36,60,022	21,34,525	15,25,497
<b>Current assets</b>			
Inventories	1,393	813	581
Trade receivables	16,563	9,659	6,903
Cash & bank balances	439	256	183
Fixed deposits – BG	13,72,772	8,00,600	5,72,171
Other fixed deposits	81,62,135	47,60,157	34,01,978
Other current assets	4,25,452	2,48,124	1,77,329
<b>Total</b>	<b>1,37,23,125</b>	<b>80,03,326</b>	<b>57,19,798</b>

#### Amounts held in current accounts, fixed deposits, sweep accounts

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs 83,41,061/- thousands (Sweep accounts of Rs.77,873 /- and fixed deposits of Rs.82,63,188/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on



#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government Order (GO) from Energy. Infrastructure & Investment (Airports) department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce Department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100 crores and disbursed an amount of Rs.60 crore during the financial year 2017-18 and the balance amount of Rs.40 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:





(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority(MUDA)**

Company has received a Government Order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, board of directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good. Further, no interest has been recognised in the books of accounts.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.





## **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce Department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to District Collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels limited as on 15<sup>th</sup> September, 2020. During the year an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and District Collector, YSR Kadapa district, hence, an amount of Rs.9.00 crores have been provided towards additional provision for doubtful advance during the year, totalling to Rs.11.00 crores till 31-03-2021.

## **53. Loan to M/s. Thriveni Earth Movers Private limited**

During the previous year M/s. Thriveni Earth Movers Private Limited, an excavation contractor, carried out certain developmental works such as construction of overpass and the introduction of the electrical rope shovel, which is first of its kind at barytes project. Due to which they have incurred substantial expenses and are requesting a loan of Rs. 40.00 crores against the bank guarantee, and same to be deducted in 18 instalments from the running bills. Accordingly, corporation has sanctioned an amount of Rs. 40.00 crores on October 18, 2019 at the prevailing interest rates.

Further, M/s. Thriveni Earth Movers Private limited stated in its letter dated March 12, 2020, that they have expanded their investment in procurement of mining equipment and other capital expenditure at Mangampet Barytes project in view of achieving the targets set by the corporation. Due to which their company is undergoing in financial crunch and requested for an amount of Rs.35.00crores. Recognising the contractor's significant investment in mine development, and the performance of the contractor is satisfactory; the corporation released an amount of Rs.30.00crores on March 18, 2020 against the bank guarantee. Total advance amount of Rs.70.00 crores has been repaid during the year along with the applicable interest in full.

## **54. Non valuation of Inventory**

### **a. C+D+W grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W grade of barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is



recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (59.22 lakhs MTs) is considered without value.

#### b. Inventory of Ball clay at Dwaraka Tirumala

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS Contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which the stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020. The closing stock as on 31.03.2021 is 2.04 lakh MT (including 470 MTs of 1<sup>st</sup> Grade), which the company has not valued.

#### 55. Leasehold lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
	<b>Total</b>	<b>2,556.86</b>

#### 56. Additional information

##### 56.1 Particulars of consumption of raw material

Particulars	(Rs. in, Thousands)			
	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Raw material				
Imported	-	-	-	-
Indigenous	-	-	8,191	100.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,191</b>	<b>100.00</b>



## 56.2 Particulars of consumption of stores & spares

(Rs. in. Thousands)

Particulars	Figures as at the end of March 31, 2021		Figures as at the end of March 31, 2020	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	18,249	100.00	10,126	100.00
<b>Total</b>	<b>18,249</b>	<b>100.00</b>	<b>10,126</b>	<b>100.00</b>

## 57. Non adoption of previous year financials at the general meeting by the members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March 2020 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022 and 22<sup>nd</sup> August, 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, and 31<sup>st</sup> March, 2020, the board of directors of the company in their meeting held on 22<sup>st</sup> August, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2020. The reported amounts as on 31<sup>st</sup> March, 2021 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020 subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

## 58. General

- During the year company has operated public deposits accounts (PD Account) with the treasury department Government of Andhra Pradesh (GoAP). No funds have been credited to this account given by any other government or agencies except the GoAP. There are no restrictions or additional permissions required for withdrawing the funds from this account. There are no returned/unpaid bills under this account as on March 31, 2021.
- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 32 and 33 for better presentation purposes.





- d. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- e. All amounts have been reported in thousands unless otherwise stated/mentioned, except for the share data and earning per share (EPS).

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No 0006565



A.V. Raghava Rao  
Partner  
Mem No.200578



Place: Vijayawada  
Date: October 10, 2023

UDIN: 23900578 BGXUFV1126

for and on behalf of the board of directors



V.G. Venkata Reddy  
VC & MD  
DIN:08805525



Raman Narayanan  
Director  
DIN:10267130



A. Nageswara Reddy  
General Manager F&A





## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying standalone Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

We do not express an opinion on accompanying standalone financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

#### **Basis for Disclaimer of Opinion**

- i) The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment Int. on FDR's, BGs & Sweep	19	Other Financial liabilities (non-current)	62,14,09,063	Cr
2	{SBI} to Telangana	19	Other Financial liabilities (non-current)	1,62,94,83,736	Cr



3	APMDC Telangana Region Advance (Cr)	19	Other Financial liabilities (non-current)	87,58,03,948	Cr
4	APMDC - ISMDL - Advances	9	Other Non-current Assets	21,89,97,208	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	1,46,70,13,303	Dr
6	Fixed deposits (Above 365 Days)	0	Other Financial Assets (Non-Current)	7,32,66,76,657	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	19,48,00,730	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	1,16,45,65,376	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,87,37,475	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	21,16,85,756	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	8368316	Dr
12	Int. Accr. on FDR kept for BG Without Lien	14	Other Financial Assets (Current)	4,53,98,768	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	4,38,16,594	Dr
14	Int. on Fixed Deposits	28	Other Income	26,47,28,818	Cr
15	Int. on FD kept for BG	28	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	28	Other Income	3,62,90,734	Cr
17	Int. on Sweep account SBI, Khairatabad	28	Other Income	24,56,795	Cr
18	Vijayawada (bank)	6	Cash and cash equivalents	1,85,20,834	Dr

i) The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2022 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification

iii) The following Ledger balances as on March 31, 2022 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2022 (In Rs.)
Adv.to LL Panch Raj Dep (RUP)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,50,26,13,755
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796



Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

- iv) In respect of property, plant and equipment, the Fixed Assets Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supporting evidences are available for verifying the dates of put to use. In the absence of the same, in many of the cases the date of invoice has been assumed to be as date of put to use except in the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are unable to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, we are also unable to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.
- v) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the standalone Financial Statements could not be ascertained.
- vi) The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court fees payable amounting to Rs. 337.50 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
- vii) The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- viii) The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax ACT.



Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.

- ix) The company has Trade Receivables balance amounting to Rs. 302.45 Crores and advance from customers amounting to Rs. 11.92 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 302.45 Crores and Advance from Customers amounting to Rs. 11.92 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.
- x) We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings:

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C JV	5,42,81,229	Dr
4	Sri R V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balances in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

- xi) The Company has released an interest free unsecured loan of Rs. 100.00 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial year 2020-21 and financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xii) The Company has released unsecured loan of Rs. 200.00 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.





- xiii) The company has accounted for interest on credit sales amounting to Rs. 1.69 crores for the financial year 2021-22. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2022 has not been recognised which is not in line with the accounting policy followed by the company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2022. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xiv) Balance in Suspense Account amounting to Rs. 1,26,47,375 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
- xv) Sand Inventory records pertaining to Sand Operations were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software, it is to report that:
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
  - b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification.



Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.

- c) As per the financial statements for Financial Year 2021-22, no reconciliation has been provided with respect to Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology up to 31<sup>st</sup> March 2022. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
- d) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilo meter (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Company with the Transporters. The transportation charges payable has to be derived based on the Kilometers as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometers certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometers as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- e) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- f) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supporting's are not available for verification, the details of which are as follows:
  - i. Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as



applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.

- ii. Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.
- iii. TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS GST has not been deducted on any of the payments made to Boatsmen Societies.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- g) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available. And in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

## **Other Matters**

1. The financial statements of the Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2020 and March 31, 2021 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August 2023 and 22<sup>nd</sup> September 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021, the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> November, 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2022 considering the opening balances based on the financial statements as approved by the Board, audited by us for the year ended March 31, 2021, and audited by the previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as





on March 31, 2022 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 and subsequent approval at the Annual General Meetings.

2. Note No.45 and Note No.57 of notes to the accounts has to be considered in respect sand and survey stones businesses.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
  - e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Company.
  - f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable, as the Company is a Government Company.
  - g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.





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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 37 to the Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis statement

v. The Company has not declared or paid any dividend during the year



3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- C.

Place: Vijayawada

Date: 14<sup>th</sup> December, 2023

For Chowdary & Rao  
Chartered Accountants  
FRN 000656S  
  
CA. A.V. Raghava Rao  
Partner  
M.No. 200578  
UDIN: 24200578 BKALYT4262

### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2022)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report the following:

- (i) In respect of Company's fixed assets
  - a) A. In our opinion, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc., of its fixed assets (property, plant and equipment).  
  
B. The company has not maintained proper records showing full particulars of its intangible assets.
  - b) In the absence of any documents being made available to substantiate the conduct of physical verification and no policy/ laid down procedure on the same, we are unable to comment on the process of physical verification of fixed assets by the company.
  - c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwarakatirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
  - d) According to the information and explanations given to us and on the basis of our examination of the record of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Physical verification of Inventory has been conducted by the Management during the year. However, there are no laid down procedures for physical verification of inventory at reasonable intervals and accordingly, we are unable to comment upon the same.
  - e) According to the information and explanations given to us and on the basis of our examination of the record of the company, any proceedings have not been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) In respect of inventory
  - A. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management.
  - (b) The coverage and procedure of physical verification of inventory followed by the management is reasonable, adequate and appropriate in relation to the size of company and the nature of its business.
  - (c) The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material for each class of inventory and the same have been properly dealt with in the books of accounts.



8. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not availed any working capital loans during the year
- (iii) According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (ix) of the Paragraph 3 of the Order.
- (iv) As per Notification GSR 403 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
- (v) The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non availability of payment portal.

S.No	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Tax deducted at Source	2019-20	8,32,824
2	Central Goods and Services Tax, Act	Tax deducted at Source	2019-20	1,29,10,730
3	Income Tax Act	Tax deducted at Source	2018-19	5,01,375
4	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972



5	Mines and Minerals Merit (Development Regulation Act)	2016-17 to 2019-20	90,66,196
6	Mines and Minerals Cess (Development Regulation Act)	2016-17 to 2021-22	17,56,45,426
7	Mines and Minerals Royalty from Sub leaseholders (Development Regulation Act)	2018-19 to 2021-22	12,92,491

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Disclaimer of Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

S.No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act		ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act		ITAT	2012-13	1,10,70,279
3	Income Tax Act		ITAT		27,31,630
4	Income Tax Act		CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

- (viii) According to the information and explanations given to us, and on the basis of our examination of the records of the company, there are no such instances noticed where transactions are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). There is no previously unrecorded income which has been properly recorded in the books of account during the year.





(ix) In respect of loans availed

- (a) According to the information and explanations give to us and on the basis of our examination of the records of the Company, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, clause 3 (ix) (a) of the order is not applicable.
- (b) According to the information and explanations give to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank of financial institution or government of government authority.
- (c) According to the information and explanations give to us by the management, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, Clause 3(ix) (d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company. We report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.

(x) (a) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review in terms of provisions of section 42 and section 62 of the Companies Act, 2013.

(xi) (a) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. In the absence of adequate records and material evidences, we are unable to comment whether any fraud has taken place or not.

- (b) No Audit Report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act.

- (c) According to the information and explanations given to us, no whistle blower complaint has been received by the company during the year.



- (xii) The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business
- (b) The Reports of the Internal Auditors for the period under audit were considered.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.
- (xvi) The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of Paragraph 3 of the Order is not applicable.
- (xvii) According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dated of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not Capable of meeting its liabilities existing at the date of balance sheet date. We however, state that this is not an assurance as to the futures viability of the Company. We further neither state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date. Will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanation given to us and based on our examination of the records of the company, in respect of CSR Expenditure other than ongoing CSR projects, there were amount Rs. 9,71,878 remaining unspent u/s 135 (5) of the Companies Act, the company did not transfer the unspent amount, which is required to be transferred to a fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;



(b) There is no such amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which has been required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act

Place: Vijayawada

Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

CA. A.V. Raghava Rao  
Partner  
M. No : 200578

UDIN: 24200578 BKA/LYT 4262

## **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2022)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to the standalone financial statements of the Company.

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

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

- (1) Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and





- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2022

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022.
- b) The company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Company did not have a system for periodical verification of Property, Plant and Equipment.
- e) The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.
- f) In respect of sand operations,
  - i. The company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
  - ii. Periodic Reconciliation of Bank Balances have not been done.
  - iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.





- iv Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, EMD/PSD register, register of contractors and register of tender schedules sold

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2022 and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a Disclaimer of opinion on the standalone financial statements of the Company.

Place: Vijayawada

Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants

FRN 0006565

CA. A.V. Raghava Rao  
Partner

M. No: 200578

UDIN: 24200578 BKALYT4262

# ANNEXURE-C to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no



	<p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>The Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year, the company raised a term loan for investment in the suliyari coal mine, and the same has been initiated and utilised for the purpose for which it is availed. No amount has been deposited in the PD Account from this term loan.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p>



	e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	e) There are no returned/ unpaid bills as on 31-03-2022.
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the physical verification of property, plant and equipment report submitted by NSRK & Associates and as confirmed by the management, no such instances have taken place during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory and stores and spares in FY 2021-22 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2021-22 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.



13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2021-22 started in FY 2023-24. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place, Vijayawada  
Date, 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 0006565

  
CA. A.V. Raghava Rao  
Partner  
Mem No: 200578

UDIN: 24200578 BKALYT 4262



The Andhra Pradesh Mineral Development Corporation Limited

Standalone Balance sheet as at March 31, 2022

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,687	6,530
Right-of-use assets	3	42	144
Capital work in progress	5	1,144	22
Other intangible assets	3	8,260	414
Intangible assets under development	3	1,42,107	84,019
<b>Financial assets</b>			
Investments	4	110	110
Loans	5	678	3,441
Other financial assets	6	91,504	85,622
Deferred tax assets (net)	7	2,473	2,614
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	42,079	35,570
<b>Total non-current assets</b>		<b>5,00,483</b>	<b>2,77,475</b>
<b>Current assets</b>			
Inventories	10	9,786	17,293
<b>Financial assets</b>			
Trade receivables	11	26,721	10,427
Cash and cash equivalents	12	13,754	12,130
Other bank balances	13	13,105	1,027
Loans	13	10,265	27,114
Other financial assets	14	3,119	3,138
Other current assets	15	6,860	13,513
<b>Total current assets</b>		<b>1,22,191</b>	<b>85,441</b>
<b>TOTAL ASSETS</b>		<b>6,22,674</b>	<b>3,12,916</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	631	631
Other equity	17	2,63,420	1,31,788
<b>Total equity</b>		<b>2,64,051</b>	<b>1,32,419</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	45,152	-
Other financial liabilities	19	31,978	12,549
Provisions	20	9,137	1,140
Other non-current liabilities	21	254	254
<b>Total non-current liabilities</b>		<b>86,522</b>	<b>32,944</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	22	5,400	-
Trade payables	23	11,324	10,703
Other financial liabilities	24	58,291	12,514
Other current liabilities	25	5,990	14,850
Current tax liabilities	26	9,206	6,447
<b>Total current liabilities</b>		<b>70,301</b>	<b>44,554</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,22,674</b>	<b>3,12,916</b>

Notes to financial statements

1-61

The accompanying notes are an integral part of these standalone financial statements.

As per our report

For and on behalf of the Board of Directors

For Chandray B Rao  
Chartered Accountants  
Firm Regn No: 0005565

V.G.Venkata Reddy  
VC & MD  
DIN: 00805523

Raman Narayanan  
Director  
DIN: 00267130

A.V. Raghava Rao  
Partner  
Mem No.200578

A.Nageswara Reddy  
General Manager - F&A

Date: 14-12-2023

Place: Vijayawada  
Date: November 22, 2023

UDIN: 24200578 BKA LYF14262


**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2022**  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,15,002	1,81,802
Other income	28	5,158	5,526
<b>Total income</b>		<b>1,20,161</b>	<b>1,87,331</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	8,445	(9,429)
Employee benefits expense	30	3,957	3,144
Finance costs	31	1,738	170
Depreciation and amortization expense	32	566	1,673
Power and fuel	33	580	580
Excavation & transport charges	34	27,686	28,580
Other expenses	35	35,831	1,43,604
<b>Total expenses</b>		<b>79,202</b>	<b>1,68,281</b>
<b>Profit before exceptional items and tax</b>		<b>40,958</b>	<b>19,050</b>
<b>Add : Exceptional items (Net)</b>			
<b>Profit before tax</b>		<b>40,958</b>	<b>19,050</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	36	10,994	6,231
Deferred tax	36	191	(422)
<b>Total tax expense/(benefit)</b>		<b>11,185</b>	<b>5,808</b>
<b>Profit for the year from continuing operations</b>		<b>29,773</b>	<b>13,242</b>
Profit from discontinued operations		-	-
Less : Tax expense of discontinued operations		-	-
<b>Net Profit from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>29,773</b>	<b>13,242</b>
<b>Other comprehensive income</b>			
Items that will not be rec-assigned to profit or loss income tax on above items		(140)	112
<b>Total other comprehensive income for the year (B)</b>		<b>(140)</b>	<b>112</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>29,632</b>	<b>13,229</b>
<b>Earnings per equity share (in Rs) -</b>			
<b>[Nominal value of share Rs.1000/-]</b>			
- Basic	42	47,211.87	20,998.27
- Diluted		47,211.87	20,998.27
<b>Notes to financial statements</b>	<b>1-61</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

  
 A.V. Raghava Rao  
 Partner  
 Mem No.200578


Date: 14-12-2023

UDIN: 24200578 BKALYT4262

For and on behalf of the Board of Directors

  
 V.G. Venkata Reddy  
 VC & MD  
 DIN: 08805525

  
 Raman Narayanan  
 Director  
 DIN: 10267130

  
 A. Nageswara Reddy  
 General Manager - F&A

Place : Vijayawada  
 Date : November 22, 2023

## Statement of changes in equity for the year ended March 31, 2022

Balance Sheet as at March 31, 2022

## A. Equity share capital

Particulars	No. of Shares	(Rs. in '000's) Deposits/ adjustments/ transfer
Balance as at April 1, 2020	63,062	1.1,062
Changes in equity share capital during 2020-21		
Balance as at April 1, 2021	63,062	63,062
Changes in equity share capital during 2021-22		
Balance as at March 31, 2022	63,062	63,062

## B. Other equity

Particulars	Reserve and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2020	110	854	17,050	2,02,498	(57)	133	(30)	2,20,558
Profit for the year				13,242				13,242
Other comprehensive income for the year						(12)		(12)
Total comprehensive income for the year								
Transfer to reserve for bad and doubtful debts		(256)		13,242		132		13,279
Balance as at March 31, 2021	110	597	17,050	2,15,998	(57)	121	(30)	2,39,768
Profit for the year				25,771				25,771
Other comprehensive income for the year						(103)		(103)
Total comprehensive income for the year								
Transfer to reserve for bad and doubtful debts		534		25,771		140		26,445
Balance as at March 31, 2022	110	1,531	17,050	2,44,835	(57)	(19)	(30)	2,63,420

## As per our report

For Chowdary &amp; Rao

Chartered Accountants

Firm Regn No: 0006565

A.V. Raghava Rao

Partner

Mem No. 200578

Date: 14-12-2023



For and on behalf of the Board of Directors

V.G. Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
CIN: 10267136

A. Nageswara Reddy  
Group Manager - F&A



Place: Vijayawada

Date: November 22, 2023

UDIN: 24200578 01ALYT4262

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the year ended March 31, 2022  
 All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	40,958	19,450
Adjustments for:		
Interest expense	1,607	27
Unwinding of discounting on provisions	131	107
Interest income	(4,724)	(5,138)
Depreciation and amortization expense	566	1,675
Provision for bad & doubtful advances	-	900
Liabilities no longer required written back	(262)	(2)
<b>Operating profit before working capital changes</b>	<b>38,774</b>	<b>16,415</b>
Adjustments for:		
Increase/(decrease) in trade payables	520	2,660
Increase/(decrease) in provisions	7,987	(33)
Increase/(decrease) in other financial liabilities	27,120	6,156
Increase/(decrease) in other liabilities	(8,900)	10,047
Decrease/(increase) in trade receivables	(16,284)	4,469
Decrease/(increase) in inventories	8,507	(9,435)
Decrease/(increase) in other assets	547	118,085
Decrease/(increase) in other financial assets	(5,264)	(1,439)
<b>Cash generated from operations</b>	<b>53,299</b>	<b>7,196</b>
Direct taxes paid (net of refunds)	8,145	5,479
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>45,153</b>	<b>1,716</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets including intangible assets under development, CWIP and capital advances	(64,580)	(22,027)
Movements in other bank balance	(32,076)	4,512
Loans repaid / given to parties	-	5,885
Loans repaid / given to staff	(138)	(63)
Interest received	4,226	5,336
Proceeds from sale of NSC bonds	-	0
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(92,583)</b>	<b>(6,356)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	50,542	-
Interest paid	(1,607)	(27)
Payment of lease liability	(114)	(114)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>48,831</b>	<b>(141)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,401</b>	<b>(4,780)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>12,438</b>	<b>17,118</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13,734</b>	<b>12,338</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0	1
Balances with scheduled banks		
With current accounts	13,734	12,337
<b>Total cash and cash equivalents (Note 12)</b>	<b>13,734</b>	<b>12,338</b>

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0005565

A.V. Raghava Rao  
 Partner  
 Mem No.200578

Date: 14-12-2023

UDIN: 24200578 BKALYT 4262



For and on behalf of the Board of Directors

V.G.Venkata Reddy  
 VC & MD  
 DIN: 08805525

Raman Narayanan  
 Director  
 DIN: 10267130

A.Nageswara Reddy  
 General Manager - F&A

Place : Vijayawada  
 Date : November 22, 2023



## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh-521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and defined benefit and other long term employee benefits that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period.





Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

### **Judgements**

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

### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geominig terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.



### **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When part sofa item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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





The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

**Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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



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

**Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.



Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The Company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is



restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which





it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.





Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.



**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.



A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**III. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods, and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or



other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, right of use asset for the year ended March 31, 2022

Note -3

**Property, Plant and Equipment For The Year Ended 31.03.2022**

Particulars	Cost as at April 1, 2021	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2022	Accumulated Depreciation as at April 1, 2021	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2022	Net block as at March 31, 2022	Net block as at March 31, 2021
Land	2,803	1,635	-	4,438	-	-	-	-	4,438	2,803
Quarries & Pucca Construction	437	-	-	437	129	23	-	252	185	208
Mining Equipment	709	3	-	712	118	39	-	557	155	191
Furniture & Fixtures	191	9	3	198	120	19	1	138	59	71
Office Equipment	2,595	6	7,556	247	1,243	40	1,118	315	57	1,352
Data Processing Equipment	739	68	42	759	191	24	23	194	65	46
Vehicles	196	27	-	223	123	30	-	154	70	75
Tools & Tools	31	18	-	47	29	-	-	31	17	7
Plant & Machinery	3,133	95	1,125	1,870	1,356	170	507	1,319	652	1,755
Leasehold building	735	-	-	735	727	22	-	749	34	27
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>409</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Less: Depreciation capitalised during the year						6				
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>402</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Previous year - 2020-21	9,810	757	-	10,567	2,490	1,543	-	4,037	6,530	7,320
<b>LEASED ASSETS - RIGHT OF USE</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Right of use asset	333	-	-	333	189	101	-	290	42	144
<b>Total</b>	<b>333</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>189</b>	<b>101</b>	<b>-</b>	<b>290</b>	<b>42</b>	<b>144</b>
Previous year - 2020-21	333	-	-	333	189	101	-	290	144	245
Other Intangible Assets										
<b>Class Of Asset</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Computer Software	34	-	-	34	29	2	-	31	3	4
Mining Property	466	7,879	-	8,345	56	32	-	88	8,257	417
<b>Total</b>	<b>499</b>	<b>7,879</b>	<b>-</b>	<b>8,378</b>	<b>85</b>	<b>34</b>	<b>-</b>	<b>119</b>	<b>8,260</b>	<b>421</b>
Previous year - 2020-21	499	-	-	499	84	31	-	95	414	445
Exploration Intangible assets under development	84,099	56,032	-	1,40,131	-	29	-	-	1,40,102	84,099
Previous year - 2020-21	82,710	21,389	-	84,099	-	-	-	-	84,099	82,710
Capital Work in Progress	23	1,144	23	1,144	-	-	-	-	1,144	23
Previous year - 2020-21	138	-	125	23	-	-	-	-	23	138





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current Investments	As at March 31, 2022	As at March 31, 2021
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. AMOC - 50% subsidiary company limited		
	2,000 equity shares (March 31, 2022 - 1,000) of Rs. 10/- each	1	1
	fully paid up		
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s. Rajgarh Coal Company Limited		
	5,000 equity shares (March 31, 2022 - 5,000) of Rs. 10/- each	50	50
	fully paid up		
	Less: Provision made for diminution in the value of shares	(50)	(60)
	iii. M/s. Adipati Minerals Mining Company Private Limited		
	55,100 equity shares (March 31, 2022 - 55,100) of Rs. 10/- each	551	551
	fully paid up		
	Less: Provision made for diminution in the value of shares	(551)	(551)
	iv. M/s. Andhra Proschard Private Limited		
	1,10,000 equity shares (March 31, 2022 - 1,10,000) of Rs. 100/- each	1100	1100
	fully paid up		
	Less: Provision made for diminution in the value of shares	(1100)	(1100)
	Investment in Associates		
	v. M/s. Kishan Minerals Development Private Limited		
	65,000 equity shares (March 31, 2022 - 65,000) of Rs. 10/- each	650	650
	fully paid up		
	Less: Provision made for diminution in the value of shares	(650)	(70)
	vi. M/s. SHAP Minerals Private Limited		
	3,25,000 equity shares (March 31, 2022 - 3,25,000) of Rs. 10/- each	3250	3250
	fully paid up		
	Less: Provision made for diminution in the value of shares	(3250)	(335)
	vii. M/s. Acham Minerals Experts Private Limited		
	1,30,000 equity shares (March 31, 2022 - 1,30,000) of Rs. 10/- each	1300	1300
	fully paid up		
	Less: Provision made for diminution in the value of shares	(1300)	(130)
	viii. M/s. Sri Minerals Experts Private Limited		
	1,30,000 equity shares (March 31, 2022 - 1,30,000) of Rs. 10/- each	1300	1300
	fully paid up		
	Less: Provision made for diminution in the value of shares	(1300)	(130)
	ix. M/s. Manjiv Minerals Private Limited		
	1,40,000 equity shares (March 31, 2022 - 1,40,000) of Rs. 10/- each	1400	1400
	fully paid up		
	Less: Provision made for diminution in the value of shares	(1400)	(150)
	x. M/s. Degeet Minerals Experts Private Limited		
	3,25,000 equity shares (March 31, 2022 - 3,25,000) of Rs. 10/- each	3250	3250
	fully paid up		
	Less: Provision made for diminution in the value of shares	(3250)	(330)
	xi. M/s. SIP Minerals Private Limited		
	1,25,000 equity shares (March 31, 2022 - 1,25,000) of Rs. 10/- each	1250	1250
	fully paid up		
	Less: Provision made for diminution in the value of shares	(1250)	(130)
	xii. M/s. A. J. Minerals & Metals Private Limited		
	25,000 equity shares (March 31, 2022 - 25,000) of Rs. 10/- each	250	250
	fully paid up		
	Less: Provision made for diminution in the value of shares	(250)	(10)
	xiii. M/s. Andhra Proschard (India) Mining Private Limited		
	28,600 equity shares (March 31, 2022 - 28,600) of Rs. 10/- each	286	286
	fully paid up		
	Less: Provision made for diminution in the value of shares	(286)	(10)



Investments in Joint Ventures			
iv. M/s. A P Green (P) Private Limited			
11,00,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		110	110
Less: Provision made for diminution in the value of shares			
vi. M/s. A. Green A P Green (P) Private Limited			
11,00,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		110	110
Less: Provision made for diminution in the value of shares		(110)	(110)
vii. M/s. Patanjali (P) Private Limited			
11,00,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		110	110
Less: Provision made for diminution in the value of shares		(110)	(110)
viii. M/s. Empire of Estates Development Private Limited			
1,320 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		13	9
Less: Provision made for diminution in the value of shares		(10)	(10)
ix. M/s. Andhra Baryon Corporation Private Limited			
8,52,500 equity shares (March 31, 2021) of Rs. 11/- each fully paid up		94	85
Less: Provision made for diminution in the value of shares		(85)	(85)
x. M/s. Andhra Pradesh Iron Ore Company Limited			
6,850 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		7	1
Less: Provision made for diminution in the value of shares		(1)	(1)
xi. M/s. Times Square Private Limited			
4,50,000 equity shares (March 31, 2021) of Rs. 10/- each fully paid up		45	45
Less: Provision made for diminution in the value of shares		(45)	(45)
xii. M/s. V. of Materials Private Limited			
1,100 equity shares (March 31, 2021) of Rs. 100/- each fully paid up		1	1
Less: Provision made for diminution in the value of shares		(1)	(1)
Investments measured at amortised cost			
Investment in Government Securities (Unquoted)		71	71
Less: Provision made for doubtful investment		(71)	(71)
		180	110
Aggregate amount of current investments - Market value			
Aggregate amount of current investments - Book value			
Aggregate amount of unquoted investments		110	110
Aggregate amount of impairment		576	576
Aggregate Provision made for doubtful investments		71	71

	As at March 31, 2022	As at March 31, 2021
<b>Loans (Non-current)</b>		
Deposits with others		
Unsecured, considered good	240	109
Unsecured, considered doubtful	93	71
Less: Provision for non-current debts	(194)	(71)
Loans to others		
Unsecured, considered good		3,000
Loan to AP State Fertiliser Limited (Refer Note 49)		
Loans and advances to employees		
Unsecured, considered good	418	387
Unsecured, considered doubtful	4	4
Less: Allowance for non-current doubtful debts	(19)	(19)
<b>Total</b>	<b>678</b>	<b>3,490</b>



6	Other financial assets (Non-current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, non-derivative - Refer note 4B		
	Balance in current accounts (fixed)	145	181
	Long term bank deposits	90,117	84,667
	Swap accounts	787	179
	Unsecured, considered doubtful		
	Balance in post office savings account	40	40
	Less: Provision for doubtful portion	(40)	(40)
	<b>Total</b>	<b>90,109</b>	<b>85,027</b>
7	Deferred tax asset (net)	As at March 31, 2022	As at March 31, 2021
	Deferred tax asset		
	Property, plant & equipment	-	271
	Impact of deferred tax charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	5	15
	Provision for deferred tax on trading assets	7,799	287
	Provision for lease liability - assets	2	7
	Provision for good & doubtful debts, investments & advances	2,617	7,361
	<b>Total deferred tax asset</b>	<b>10,423</b>	<b>7,941</b>
	Deferred tax liability		
	Property, plant & equipment	(1,897)	-
	Investment	(125)	(125)
	<b>Total deferred tax liability</b>	<b>(2,022)</b>	<b>(250)</b>
	<b>Net deferred tax asset</b>	<b>8,401</b>	<b>7,691</b>
8	Non-current tax assets	As at March 31, 2022	As at March 31, 2021
	Income Tax		
	Corporate tax - advance	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>
9	Other non-current assets	As at March 31, 2022	As at March 31, 2021
	A) Capital advances		
	Unsecured, non-derivative good	2,140	2,130
	Unsecured, non-derivative doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>2,140</b>	<b>2,130</b>
	B) Advances other than capital advances		
	Unsecured, non-derivative good	19,031	19,577
	Unsecured, non-derivative doubtful	1,780	1,780
	Provision for doubtful advances	(1,780)	(1,780)
		<b>19,031</b>	<b>19,577</b>
	C) Others - unapplied		
	Unsecured, non-derivative good	16,990	16,990
	Unsecured, non-derivative doubtful	1,990	1,990
	Provision for doubtful advances	(1,990)	(1,990)
	Prepaid expenses	1	2
		<b>16,991</b>	<b>16,992</b>
	<b>Total</b>	<b>42,079</b>	<b>38,574</b>
10	Inventories	As at March 31, 2022	As at March 31, 2021
	Finished goods	8,739	17,164
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	2	147
	<b>Total</b>	<b>8,733</b>	<b>17,293</b>



11	Trade receivables (Current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, considered good	24,00	10,427
	Unsecured, considered credit impaired	1,574	3,790
	Less: Impairment allowance for doubtful debts	(13,524)	(13,790)
	Unbilled Receivables	120	-
	<b>Total</b>	<b>26,720</b>	<b>10,427</b>
12	Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
	Cash and cash equivalents		
	Balance with banks		
	in current accounts	13,734	12,327
	Current Fund	0	3
	<b>Other bank balances</b>	<b>13,734</b>	<b>12,330</b>
	Fixed deposits with maturity > 3 months but < 12 months	11,105	1,027
	<b>Total</b>	<b>46,819</b>	<b>13,357</b>
13	Loans (current)	As at March 31, 2022	As at March 31, 2021
	Loans to others		
	Unsecured, considered good		
	Loan to AP state Khanna Limited & Machhindranagar		
	Development Authority. Refer Note 49 & 50	30,000	27,000
	Loans and advances to employees	ni	174
	<b>Total</b>	<b>30,000</b>	<b>27,174</b>
14	Other financial assets (Current)	As at March 31, 2022	As at March 31, 2021
	Advances receivable in cash		
	Unsecured, considered good		
	Interest accrued on deposits		
	Unsecured, considered good	1,373	3,338
	Unsecured, considered doubtful	244	240
	<b>Total</b>	<b>3,118</b>	<b>3,578</b>
15	Other current assets	As at March 31, 2022	As at March 31, 2021
	A) Advances recoverable		
	Unsecured, considered good	709	560
	<b>B) Others - specified</b>	<b>709</b>	<b>560</b>
	Unsecured, considered good		
	Balance with statutory authorities	5,339	12,450
	Prepaid expenses	510	572
	Others	293	380
	<b>Total</b>	<b>6,851</b>	<b>13,353</b>
	<b>Total</b>	<b>6,860</b>	<b>13,913</b>



16	Equity share capital	As at March 31, 2022	As at March 31, 2021
	<b>Purchased share capital:</b>		
	1,00,000 equity shares of Rs. 100/- each	1,000	1,000
	(March 31, 2019: 1,00,000 equity shares of Rs. 100/- each)	1,000	1,000
	<b>Issued, subscribed and fully paid up share Capital:</b>		
	63,062 equity shares of Rs. 100/- each, fully paid up	6311	6311
	(March 31, 2019: 63,062 equity shares of Rs. 100/- each)	6311	6311
		<b>6311</b>	<b>6311</b>
16.1	<b>Additional notes:</b>		
	<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>		
		<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	Shares outstanding at the beginning of the year	61,062	61,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	<b>61,062</b>	<b>61,062</b>
16.2	<b>Rights, preferences and restrictions attached to equity shares</b>		
	The company has one class of equity shares having a par value of Rs. 100/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company after distribution of all preferential payments. The distribution will be in proportion to number of equity shares held by the shareholders.		
16.3	<b>The details of shares in the Company held by each shareholder holding more than 5% shares</b>		
		<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	Name of the share holder		
	Governor of the Andhra Pradesh represented by assistant secretary to Government G.S. GSS (100%)	61,062	61,062
	Ministry of Industries & Commerce Government		
17	Other equity	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
	<b>Capital reserves:</b>		
	Free reserve equity shares for conversion other than cash as held by:		
	a) M/s. Apurva minto (20000) private limited		
	65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each	7	7
	Fully paid up		
	Less: Provision made for diminution in the value of shares	(7)	(7)
	b) M/s. SRM minimal private limited		
	1,25,000 equity shares (March 31, 2021: 1,25,000) of Rs. 10/- each	31	31
	Fully paid up		
	Less: Provision made for diminution in the value of shares	(33)	(33)
	c) Arun mineral resources private limited		
	1,10,000 equity shares (March 31, 2021: 1,10,000) of Rs. 10/- each	13	13
	Fully paid up		
	Less: Provision made for diminution in the value of shares	(13)	(13)
	d) Arun mineral resources private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each	13	13
	Fully paid up		
	Less: Provision made for diminution in the value of shares	(13)	(13)
	e) Mangrove gardens private limited		
	1,10,000 equity shares (March 31, 2021: 1,10,000) of Rs. 10/- each	13	13
	Fully paid up		
	Less: Provision made for diminution in the value of shares	(13)	(13)
	f) Arun mineral resources private limited		
	1,25,000 equity shares (March 31, 2021: 1,25,000) of Rs. 10/- each	31	31
	Fully paid up		
	Less: Provision made for diminution in the value of shares	(33)	(33)







Retained earnings			
Opening balance		2,36,627	2,02,529
Additions: Profit for the year		29,773	13,242
		2,66,400	2,15,771
Less: Appropriations			
Reserve for bad and doubtful debts		734	(256)
Inter-approprations		234	(256)
Closing balance		2,65,432	2,15,259
Total		2,65,432	2,14,788
Nature and purpose of reserves			
General reserve			
General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.			
Reserve for bad and doubtful debts			
Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debts.			
Retained earnings			
Retained earnings are the profits that the company has earned at date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.			
18	Borrowings	As at March 31, 2022	As at March 31, 2021
	Rupco Term Loan from Banks - Secured		
	Sulyan Coal Mine (Refer Note 5)	45,152	
	Total	45,152	
19	Other Financial Liabilities (Non-current)	As at March 31, 2022	As at March 31, 2021
	Expenses payable against infrastructure development	687	687
	Deposits	11,138	173
	Others	171	11,639
	Total	12,996	12,509
20	Provisions (Non-current)	As at March 31, 2022	As at March 31, 2021
	Provision for others:		
	Provis on fur decommissioning cost	9,137	1,140
	Total	9,137	1,140
21	Other non-current liabilities	As at March 31, 2022	As at March 31, 2021
	Others		
	Secutory liabilities	254	254
	Total	254	254
22	Borrowings (Current)	As at March 31, 2022	As at March 31, 2021
	Rupco Term Loan from Banks - Secured		
	Sulyan Coal Mine (Refer Note 5)	5,400	
	Total	5,400	



23	Trade payables (Current)	As at March 31, 2022	As at March 31, 2021
	Trade payables: Due to micro enterprises and small enterprises Due to creditors other than micro enterprises and small enterprises Total	 11,174 11,324	 10,302 10,793
Micro and small enterprises under the micro and small enterprises Development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below:			
	Particulars	As at March 31, 2022	As at March 31, 2021
	a) Principal amount and interest due thereon	-	-
	b) interest paid in terms of section 15 of MSMED Act	-	-
	c) interest due and payable for the period of dates excluding interest specified under MSMED Act	-	-
	d) interest accrued and remaining unpaid at the end of the year	-	-
	e) further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			
24	Other financial liabilities (Current)	As at March 31, 2022	As at March 31, 2021
	Salaries & other benefits payable Borrowings and security deposits from customers Other payables Total	 238 6,258 31,810 38,296	 239 4,758 7,419 12,514
25	Other current liabilities	As at March 31, 2022	As at March 31, 2021
	Advances from customers Statutory liabilities Loanower interest/suspense Total	 1,192 8,673 126 5,990	 1,010 12,751 318 14,080
26	Current tax liabilities	As at March 31, 2022	As at March 31, 2021
	Provision for income tax Total	 9,450 9,450	 6,447 6,447

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The Andhra Pradesh Mineral Development Corporation Limited  
 Notes to standalone financial statements for the year ended March 31, 2022  
 All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
	Sale of products	92,957	48,973
	Sale of services		
	Agency services including transportation	17,720	1,28,743
	Others	4,926	4,086
	<b>Total</b>	<b>1,15,002</b>	<b>1,81,802</b>
28	Other Income	For the year ended March 31, 2022	For the year ended March 31, 2021
	Interest income		
	Bank deposits	3,829	4,675
	Loans	8	3
	Others	413	659
	Other non operating income		
	Rent receipts	5	7
	Forfeiture of security deposit	-	156
	Sale of tender documents	55	27
	Liabilities no longer required written back	262	2
	Penalties on buyers and others	58	-
	Revenue from sale of survey stones	531	-
	Other miscellaneous income	9	1
	<b>Total</b>	<b>5,158</b>	<b>5,529</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2022	For the year ended March 31, 2021
	a) Opening stock of finished goods	17,164	7,144
		17,164	7,735
	b) Closing stock of finished goods	8,719	17,164
		8,719	17,164
	<b>Changes in Inventories of finished goods</b>	<b>8,445</b>	<b>(9,429)</b>
30	Employee benefit expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
	Salaries and wages	4,570	2,554
	Contribution to provident fund and other funds	507	314
	Gratuity/welfare expenses	383	275
	<b>Total</b>	<b>3,957</b>	<b>3,144</b>
31	Finance costs	For the year ended March 31, 2022	For the year ended March 31, 2021
	Lowering of discount on provision	131	102
	Interest	1,657	27
	<b>Total</b>	<b>1,738</b>	<b>129</b>



32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Depreciation of property, plant and equipment	402	1,542
	Amortization of intangible assets	63	31
	Depreciation on right of use assets	101	101
	<b>Total</b>	<b>566</b>	<b>1,675</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Power and fuel	980	580
	<b>Total</b>	<b>980</b>	<b>580</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Excavation & transport charges for run of mine	5,587	4,287
	Excavation & transport charges for overburden	22,105	74,293
	<b>Total</b>	<b>27,692</b>	<b>78,580</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Rents	29	67
	Repairs & maintenance	165	182
	Insurance	10	12
	Rates and taxes	-	-
	Royalty	8,702	4,716
	DMF	7,601	1,409
	NMFI	173	94
	Cess	463	236
	Other rates and taxes	2,242	184
	<b>Other expenses</b>		
	Operating expenses	36	278
	Expenses for agency services	11,740	1,21,112
	Purchase of survey stones	531	-
	Discount on sales	-	883
	Transport and wagon loading charges	577	247
	Selling expenses	520	235
	New project expenses	50	1,098
	Office & general expenses	1,304	914
	Payment to auditors (refer note no 35.1)	8	8
	Audit fee for other auditors	18	7
	Printing & stationery	144	130
	Corporate social responsibility expenses	787	1,023
	Remuneration to out sourced services	3,789	8,174
	Research & Development Expenses	32	-
	Provision for doubtful advances	-	930
	Data processing charges	107	118
	Rehabilitation expenses	320	129
	Donations	1,270	986
	Miscellaneous expenditure	10	2
	<b>Total</b>	<b>35,831</b>	<b>1,43,609</b>





35.1	Payment to Auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
	Statutory audit fee	8	8
	<b>Total</b>	<b>8</b>	<b>8</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Current tax:		
	Current income tax charge	10,994	4,230
	<b>Total (a)</b>	<b>10,994</b>	<b>4,230</b>
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	191	(422)
	<b>Total (b)</b>	<b>191</b>	<b>(422)</b>
	<b>Total</b>	<b>11,185</b>	<b>5,808</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2022	For the year ended March 31, 2021
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(76)	(11)
	Leave encashment	(64)	(2)
	<b>Total</b>	<b>(140)</b>	<b>(12)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Profit/(loss) before tax as per statement of profit and loss	40,958	19,050
	Applicable tax rate as enacted by the relevant Finance Act	25.168%	25.168%
	Computed tax expense	10,308	4,794
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	191	(422)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	198	257
	b) Change in depreciation	68	203
	c) Provision for doubtful items	-	227
	d) Other items	425	749
	<b>Total income tax expense for the year</b>	<b>11,185</b>	<b>5,808</b>



**37. Contingent liabilities and commitments**

(to the extent not provided for)

All amounts are in lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,808	9,808
ii	Demand raised by income tax authorities which has been disputed and pending before appellate authorities.	4,570	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O. RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237, dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>64,930</p> <p>8,530</p>	<p>60,306</p> <p>4,633</p>
vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998 99 to 2021-22, the total demand raised, deposits made and reaming un paid amount.</p> <p>(Details given below)</p>	576	576
B	<p>Contingent liability on BG's:</p> <p>Bank guarantees furnished to different Departments on behalf of the company.</p>	63,000	63,000



C	Capital commitments in respect of unexecuted contracts.	
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2021-2022, the total demand raised, deposits made and remaining unpaid are as follows

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		<b>-</b>	<b>(311)</b>	<b>-</b>
<b>Share of APMDC</b>		<b>-</b>	<b>469</b>	<b>-</b>
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
<b>Total - B</b>		<b>210</b>	<b>106</b>	<b>104</b>
<b>Grand total</b>		<b>1,457</b>	<b>575</b>	<b>576</b>

\*(There is no change in current year figures with previous year figures)



### 38. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2022

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	110	-	110
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other bank balances	-	-	33,105	-	33,105
Other financial assets	-	-	94,224	-	94,224
<b>Total</b>		<b>72</b>	<b>1,98,565</b>		<b>1,98,637</b>
<b>Financial Liabilities:</b>					
Borrowings	-	-	-	50,552	50,552
Trade payables	-	-	-	11,324	11,324
Other financial liabilities	-	-	-	72,269	72,269
<b>Total</b>				<b>1,34,146</b>	<b>1,34,146</b>

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	110	-	110
Loans	-	67	30,538	-	30,605
Trade receivables	-	-	10,427	-	10,427
Cash and Cash equivalents	-	-	12,330	-	12,330
Other Bank balances	-	-	1,027	-	1,027
Other Financial assets	-	-	88,960	-	88,960
<b>Total</b>		<b>67</b>	<b>1,43,392</b>		<b>1,43,459</b>





<b>Financial Liabilities:</b>			
Trade payables	-	10,703	1,0703
Other financial liabilities	-	45,063	45,063
<b>Total</b>	-	<b>55,767</b>	<b>55,767</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and credit worthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined /modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,780	3,780
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,780	3,780
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	26,466	10,427
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	<b>26,466</b>	<b>10,427</b>

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



**i. Commercial risk**

**a. Sale price risk**

Particulars	Impact on profit	
	2021-22	2020-21
Selling price increase by 5%		
Barytes	4,889	2,653
Agency services	861	6,437
Selling price decrease by 5%		
Barytes	(4,889)	(2,653)
Agency services	(861)	(6,437)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(279)	279	(214)	214
Excavation & transport charges for overburden	(1,105)	1105	(1,215)	1,215

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2022**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>



As at 31st March 2021

As at 31st March 2021

Particulars	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,703	10,703	10,703	-
Non-current financial liabilities	32,549	32,549	-	32,549
Current financial liabilities	12,514	12,514	12,514	-
<b>Total</b>	<b>55,767</b>	<b>55,767</b>	<b>23,217</b>	<b>32,549</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2022	As at 31-03-2021
Employers contribution to provident fund	94	89
Employers contribution to pension fund	52	51

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021

Particulars	Gratuity		Leave encashment	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	476	590	453	542
Service cost	21	21	17	19
Interest expenses	30	33	29	31
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(57)	(179)	(63)	(141)
Remeasurements actuarial (gains)/losses	75	11	62	2
<b>Benefit obligations at the end</b>	<b>546</b>	<b>476</b>	<b>498</b>	<b>453</b>



Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	478	614	812	889
Interest income	32	35	53	54
Employer contributions	57	8	1	10
Benefits payments from plan assets	(57)	(179)	(63)	(141)
Actuarial gain / (loss) on plan assets	0	0	(2)	0
<b>Benefit obligations at the end</b>	<b>510</b>	<b>478</b>	<b>801</b>	<b>812</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
PV of obligations at the end of the year	546	476	498	453
Fair value of plan assets at the end of the year	510	478	801	812
Liability (+) / Asset (-) recognised in the balance sheet	36	(2)	(303)	(359)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Service cost	21	21	17	19
Interest expenses	(2)	(2)	(24)	(23)
<b>Net expense recognised</b>	<b>19</b>	<b>19</b>	<b>(7)</b>	<b>(4)</b>



iv. Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Actuarial (gain)/losses on obligations for the period	76	11	62	2
Actuarial (gain)/losses on plan assets for the period	0	0	2	0
<b>Net expense recognised</b>	<b>75</b>	<b>11</b>	<b>64</b>	<b>2</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Rate of discounting	7.30%	6.77%	7.30%	6.77%
Rate of salary increase	6.00%	4.00%	6.00%	4.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	62 Years	60 Years	62 Years	60 Years
Adj. average future service	15.51%	14.07%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Expected cash flow in year 1	30	60	83	105
Expected cash flow in year 2	13	36	67	73
Expected cash flow in year 3	44	72	76	82
Expected cash flow in year 4	91	66	88	65
Expected cash flow in year 5	83	55	70	50
Expected cash flow in year 6	68	40	56	38
Expected cash flow in year 7	53	45	44	35
Expected cash flow in year 8	58	50	41	36
Expected cash flow in year 9	67	16	42	17





Expected cash flow in year 10	23	83	21	30
Expected cash flow in year 11+	532	.	130	-

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Under base scenario	546	476	0.00%	0.00%
Salary escalation - up by 1%	579	509	6.07%	6.90%
Salary escalation - down by 1%	511	447	-6.44%	-6.28%
Withdrawal rates - up by 1%	550	481	0.72%	0.94%
Withdrawal rates - down by 1%	542	471	-0.80%	-1.04%
Discount rates - up by 1%	509	450	-6.88%	-5.47%
Discount rates - down by 1%	589	506	7.79%	6.12%
Mortality rates - up by 10%	546	-	0.04%	-
Mortality rates - down by 10%	546	-	-0.04%	-

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Under base scenario	498	453	0.00%	0.00%
Salary escalation - up by 1%	523	473	5.00%	4.30%
Salary escalation - down by 1%	475	435	-4.70%	-4.10%
Withdrawal rates - up by 1%	499	455	0.20%	0.40%
Withdrawal rates - down by 1%	497	451	-0.20%	-0.40%
Discount rates - up by 1%	478	438	-4.00%	-3.30%
Discount rates - down by 1%	520	470	4.40%	3.60%
Mortality rates - up by 10%	499	-	0.00%	-
Mortality rates - down by 10%	498	-	0.00%	-

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

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#### **x Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-03-2022	As at 31-03-2021
Profit after tax before exceptional items	29,773	13,242
Add: exceptional items	-	-
Profit after tax after exceptional items	29,773	13,242
Profit available for equity shareholders	29,773	13,242
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
<b>Basic and diluted earnings per share (In Rupees) – before exceptional item</b>	<b>47,211.87</b>	<b>20,998.27</b>
<b>Basic and diluted earnings per share (In Rupees) – after exceptional item</b>	<b>47,211.87</b>	<b>20,998.27</b>

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



iv. **Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

v. **Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 73,542 Lakhs is derived from four customers (P.Y 31,702 Lakhs from three customers) and 100% of revenue from sand operations are derived from single customer.

vi. **Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

a. **Segment reporting for the financial year 2021-22**

Particulars	For the year ended 2021-22			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment Revenue includes other income which is directly attributable to each segment

Particulars	For the year ended 2021-22			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment Results</b>				
Profit/(Loss)	42,288	4,658	-	46,946
Unallocated other income			4,931	4,931
Unallocated expenses and finance cost			(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(17,173)</b>	<b>29,773</b>
<b>Other Information</b>				
Segment assets **	1,56,474	20,426	2,45,974	4,22,874
Segment liabilities **	85,819	10,616	62,387	1,58,823
Capital work in progress	24	-	1,120	1,144
Depreciation and amortisation	284	110	171	566



Non-cash expense other than depreciation and amortisation	-	-	5	5
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\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2020-21**

Particulars	For the year ended 2020-21			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	53,059	1,28,743	-	1,81,802
<b>Total segment revenue</b>	<b>53,059</b>	<b>1,28,743</b>	<b>-</b>	<b>1,81,802</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
<b>Profit/(Loss)</b>	20,769	707	-	21,476
Unallocated other income	-	-	4,994	4,994
Unallocated expenses and finance cost	-	-	(7,420)	(7,420)
<b>Profit before exceptional items and tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,426)</b>	<b>19,050</b>
<b>Exceptional items</b>	-	-	-	-
<b>Profit before tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,426)</b>	<b>19,050</b>
Income tax - Current	-	-	6,230	6,230
Deferred tax	-	-	(422)	(422)
<b>Profit after tax</b>	<b>20,769</b>	<b>707</b>	<b>(8,234)</b>	<b>13,242</b>
<b>Other Information</b>				
Segment Assets **	47,279	15,145	2,50,492	3,12,916
Segment Liabilities **	11,901	16,959	49,637	78,497
Capital work in progress	-	23	-	23
Depreciation and amortisation	303	1,166	207	1,675
Non-cash expense other than depreciation and amortisation	-	-	905	905



#### 44. Related party transactions

##### A. List of related parties

Name of the related party	[% of holding]	
	As at 31-03-2022	As at 31-03-2021
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimnex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswan mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

##### Others

Name of the related party	Relation
AP state fibernet limited	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseerna steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited	





**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2022	As at 31-03-2021
Andhra Pradesh granite (Midwest) private limited	62	840
Pallava red granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2022	As at 31-03-2021
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited	-	237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2022	As at 31-03-2021
Orngole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2022	As at 31-03-2021
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex baryte private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352



<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Asra minerals exports private limited	13	13
Margasree granites private limited	13	13
Origole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & minerals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	-

**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles



- ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c. As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the Government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the Code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d. Payments to the sand excavation and internal transportation expense have been based on the certification by the district sand officer/ district sand in charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e. The data from the software developed by M/s. Code tree software solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code tree was discontinued. Despite several requests, Code



tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.

f. Regarding the Door Delivery of Sand

- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
- ii. Considering the voluminous amount of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
- iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.

g. The details of the receipts have not been provided to us by the director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs.169,87,00,208/- is subject to reconciliation for want of records.

h. We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.

i. Neither vouchers nor supportings were maintained for the bulk payments of door delivery of transportation of sand and Boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.

j. Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from end customers directly in our bank account without routing it through the director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various modes of payments such as DDs, UPIs and cash directly deposited in our bank account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such



amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with the director of mines and geology.

- k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
  - ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.
  - iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
  - iv. Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
  - v. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
  - vi. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supportings for the above-mentioned prices are not available with the company.
  - vii. There was no written instruction from the Government as to whether the above price is inclusive/ exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.
- l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.
- m. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.





- Finalised the cut-off date for transition of sand operations to new agency
- Cancelled all pending orders and refunded the amount of cancelled bookings.
- Handed over sand reaches
- Transferred balance sand stocks in depots
- Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order

#### 46. Deferred tax asset /(liability)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	6	23
Provision for decommissioning asset	2,299	287
Property, plant and equipment	-	221
Other provisions	2,039	2,108
<b>Total deferred tax asset</b>	<b>4,344</b>	<b>2,639</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Property, plant and equipment	1,897	-
Investments	25	25
<b>Total deferred tax liability</b>	<b>1,922</b>	<b>25</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,423</b>	<b>2,614</b>

#### 47. CSR Expenditure

- Gross amount required to be spent by the company during the year is Rs.797 (Previous Year Rs.857).
- Amount spent during the year

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Construction/ acquisition of any assets	-	-
Purpose other than above	787	1,023

#### 48. Treatment of demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana

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- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants			
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>



Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.86.384/- Lakhs (sweep accounts of Rs.787/- and fixed deposits of Rs 85,597/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs 100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also



confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMOC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
Total		100.00

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.



The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

#### **53. Non valuation of inventory**

##### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is





recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (67.29 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2022 is 1.78 lakh MT (including 220 MTs of Grade – 1) which the company has not valued.

#### **54. Leasehold Lands**

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
<b>Total</b>		<b>2,556.86</b>

#### **55. Term loan from the State Bank of India**

During the year, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh repayable through 102 equal monthly instalments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has drawn an amount of Rs.505.52 crores till 31-03-2022 and has been regular in repayment of interest and principal amounts on due dates.



**56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)**

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 for which Deposit certificates have been obtained from the APSFSCCL. Further, APMDCL has received interest regularly till 31-03-2022 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSCCL.

**57. Note on Survey Stones**

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Such a project was being undertaken after a gap of a century, but using modern technology for fool proof mapping of lands in 17,000 villages across the state in three phases. Accordingly, APMDCL was instructed with the responsibility of procuring & supplying the granite survey stones with the prescribed specifications to the Settlement and Land Records Department. Accordingly, during the year an amount of Rs.5.31 crores has been spent and same has been included in other expenditure. Further, revenue of Rs.5.31 crores (including unbilled revenue of Rs 1.15 crores) has been recognised without any mark up and same has been included in other income.

**58. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.**

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the year 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

**59. Additional information**

Particulars of consumption of stores & spares			(Rs.in. Lakhs)	
Particulars	Figures as at the end of March 31, 2022		Figures as at the end of March 31, 2021	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	365	100.00	182	100.00
<b>Total</b>	<b>365</b>	<b>100.00</b>	<b>182</b>	<b>100.00</b>



#### 60. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, and 10<sup>th</sup> October 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, and 31<sup>st</sup> March 2021, the board of directors of the company in their meeting held on 10<sup>th</sup> October, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2021. In view of this, the reported amounts as on 31<sup>st</sup> March, 2022 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2021 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

#### 61. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS).

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565



A.V. Raghava Rao  
Partner  
Mem No.2005/8

Date: 14-12-2023



for and on behalf of the board of directors



V.G. Venkata Reddy  
VC&MD  
DIN: 08805525



Raman Narayanan  
Director  
DIN: 10267130



A. Nageswara Reddy  
General Manager-F&A

Place: Vijayawada  
Date: November 22, 2023



UDIN: 24200578156 ALYT4262



## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**The Andhra Pradesh Mineral Development Corporation Limited**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Disclaimer of Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

We do not express an opinion on accompanying Consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

#### **Basis for Disclaimer of Opinion**

- i) We draw attention to Note No: - 46 of the consolidated financial statements where in the company has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2022 and further reasons as detailed in Note No. 46, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below:

S.No	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL Suliyan coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Barite Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%





12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Mangasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Disclaimer Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation as per AP Reorganization Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

S.No	Name of the ledger	Note no	Classification	Amount	Dr/Cr
1	Demerger Adjustment Int. on FDR's, DGs & Sweep [SBI] to Telangana	19	Other Financial liabilities(non-current)	62,14,09,063	Cr
2	APMDC Telangana Region Advance [Cr]	19	Other Financial liabilities(non-current)	1,62,94,83,736	Cr
3	APMDC - TSMDC - Advances	9	Other Non-current Assets	87,58,03,948	Cr
4	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	21,89,97,208	Dr
5	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	1,46,70,13,303	Dr
6	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	7,32,66,76,657	Dr
7	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	19,48,06,760	Dr
8		6	Other Financial Assets (Non-Current)	1,16,45,65,376	Dr





9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	7,87,37,475	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	24,16,85,756	Dr
11	Int. Acct. on FDR kept for BGs	14	Other Financial Assets (Current)	83,68,316	Dr
12	Int. Acct. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	4,53,98,268	Dr
13	Int. accr. on sweep a/c (SBI)	14	Other Financial Assets (Current)	4,38,16,594	Dr
14	Int. on Fixed Deposits	28	Other Income	26,47,28,818	Cr
15	Int. on FD kept for BG	28	Other Income	37,62,237	Cr
16	Interest on FDR BG - Without Lien	28	Other Income	3,62,90,734	Cr
17	Int. on Sweep account SBI Khairatabad	28	Other Income	24,56,795	Cr
18	Vijayawada (bank)	6	Cash and cash equivalents	1,85,20,834	Dr

ii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2022 by the Holding company could not be audited by us, as the Holding company has not provided the related legal litigation files for our clear understanding and verification.

iv) The following Ledger balances in holding company as on March 31, 2022 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31 2022 (in Rs.)
Adv. to EE Panch. Raj Dep (RJPT)	EE Panchayat Raj, Rajampet	53,90,237
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	85,32,478
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	1,50,26,13,755
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	2,38,50,796

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements

v) In respect of property, plant and equipment of holding company, Fixed Asset Register providing details such as Identification Number, Location of the Assets are not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Further, in respect of additions to Property, Plant and Equipment during the year, no supportings are available for verifying the date put to use. In the absence of the same, in many of the cases the date of invoice has been assumed as date put to use except in



the cases where other evidences such as statutory approval certificates were available for determining the date put to use. Further, in respect of Purchase of CCTV Monitoring Systems from M/s Apple Vision, the Invoice Copies could not be matched with Purchase Orders. The DSO certificates evidencing installation also could not be produced. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, we are also not able to comment upon the effect on current year depreciation and consequent impact on the carrying value of Property, Plant and Equipment due to assuming date put to use as specified above.

- vi) Interest for delay in payment of consideration as prescribed in Clause No 16(ii)(c) of the Agreement with M/s Pallava Red Granite Private Limited (Joint Venture) dated 3<sup>rd</sup> March 2008 and M/s Andhra Pradesh Granite (Midwest) Private Limited (Joint Venture) dated 4<sup>th</sup> June 2007 has not been ascertained by the Holding Company. The agreement is silent about "due date for payment in different scenarios" due to which we are unable to ascertain the liability. Accordingly, the resultant impact on the Consolidated Financial Statements could not be ascertained.
- vii) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 337.50 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- viii) The Holding Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs.1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the Consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
- ix) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.
- x) The Holding company has Trade Receivables balance amounting to Rs. 302.45 Crores and advance from customers amounting to Rs. 11.92 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 302.45 Crores and Advance from Customers amounting to Rs. 11.92 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.



- xi) We were informed that the balance in the following ledgers of holding company are pending final settlement on account of pending court proceedings. -

S.No	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C-IV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xii) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial Year 2020-21 and Financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
- xiii) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.
- xiv) The Holding company has accounted for interest on credit sales amounting to Rs. 1.69 crores for the financial year 2021-22. The basis along with the calculation for accounting interest on credit sales and Penalty Receipts from buyers has not been provided. The contractual copies which contain the terms and conditions for levying interest and penalty have not been provided. Further, the Accrual entry for the unbilled interest income as on 31<sup>st</sup> March 2022 has not been recognised, which is not in line with the accounting policy followed by the Holding company. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the income recognised under the head Interest on credit sales and penalty receipts from buyers and the outstanding balance under the head Interest accrued on credit sales as on 31<sup>st</sup> March 2022. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.





- xv) Balance in Suspense Account of holding company amounting to Rs. 1,26,47,375 has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
- xvi) Sand Inventory records pertaining to Sand Operations of holding company were not provided to us for verification due to which inventory records could not be matched with inventory handled as per the financial statements. The data from the software which was used for running Sand Portal has not been provided to us for our verification. The reports from the software were used for tracking the entire operations of sand and is the source for details pertaining to sale amounts received from Department of Mines and Geology, Sand Stock available at each site, Sand Stock in Transit and payments made to Sand Project Contractors using Sand Portal Data. In the absence of the data from the software, it is to report that:
- a) Sales pertaining to Agency Services and Transportation Services provided to Director of Mines and Geology entered in the books could not be verified with the Software data. The Sale vouchers and supporting documents have not been made available to us for our verification. The details pertaining to reach, stock yard, stock depot and party on which The Company earned Income such as Agency Service and Transportation Service have not been provided. As per the explanations provided to us, the consideration for each service (i.e Agency Service, Internal Transportation Service and Door Delivery Transportation Service) to Director Mines and Geology has been orally agreed upon and there is no written communication to authenticate the same. Further, the details of amounts received from Director of Mines and Geology are not available and no reconciliation has been provided for the sale and receipt entries in Director of Mines and Geology Trade Receivable Ledger. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Income pertaining to Agency Services, Transportation Services recognised in Sand Operations and Balance in Trade Receivable ledger of Director of Mines and Geology.
  - b) Excavation Charges (includes Loading, Heaping, Ramp Maintenance and Pattadar Beneficiary Charges) were paid to Sand Contractors at rates agreed upon by the Holding Company and the Contractor by way of agreement. The Quantity excavated is derived from the District Sand Officer (hereinafter referred to as "DSO") certification enclosed to the invoice. However, in many cases the DSO certificates are not available on record and even in cases where the DSO certificates are available the same could not be authenticated as there was no documentation of the specimen signature of the certifying authority. In a case where the certificate from DSO is not available, the expenditure was recognised based on the Invoice submitted by the Contractor and payment was partially processed subject to receipt of certification. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.
  - c) As per the financial statements for Financial Year 2021-22, no reconciliation has been provided with respect to Agency Income on account of Sand Excavation, Charges and billed to Director Mines and Geology up to 31<sup>st</sup> March 2022. Considering the non-availability of records as detailed above for our verification and no proper explanation from the Management, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Sand Excavation Charges recognised in Sand Operations.



- d) Internal Transportation Charges (i.e. Sand Transport from pattalands/ desiltation points/ stockyards to sand depots/ other stockyards) payable to Transporter are calculated at Rs. 4.9 per Ton per kilometer (inclusive of GST) as given in Government Orders from time to time and as per the individual Agreements entered by the Holding Company with the Transporters. The transportation charges payable has to be derived based on the Kilometers as certified by the Director of Mines and Geology (hereinafter referred to as "DMG")/DSO through GPS based vehicle tracking devices. However, the Kilometers certification from DMG/DSO is not available in majority of the cases. In cases where the certification is not available, Kilometers as agreed upon by APMDC and the contractor were taken as the basis for passing the entries for transportation charges. Considering the non-availability of records for our verification as specified above, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Internal Transportation Services recognised in Sand Operations.
- e) Sand Door Delivery Charges were paid to Transporters based on the report generated from the software. The payment entry was directly debited to expenditure head "Sand Transportation Door Delivery". The vouchers and supporting documents such as invoices and trip sheets have not been made available to us for verification. The only evidence available is the bank statement but the details of the payee are not reflecting in the bank statement. The details of Vendors such as Name and PAN have also not been provided to us for verification. TDS was deducted on Door Delivery Payments but there is no evidence such as TDS certificates to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Door Delivery Transportation Charges payable to Transporter are calculated as per the base rates for Door Delivery as given in Government Orders. Considering the non-availability of records for our verification, we are not able to ascertain the impact and correctness of the Expenditure pertaining to Door Delivery Transportation Services recognised in Sand Operations.
- f) Sand Boatsmen Excavation charges were paid to Boatsmen Societies based on the excavation reports certified by the District Collector/DSO/Online Portal Data. However, in many of the cases, Proper supporting's are not available for verification, the details of which are as follows:
- 1) Excavation of sand by Boatsmen Societies in East Godavari and West Godavari districts was initially booked at Rs.211 per MT. Later on, the prices varied from Rs.177 per MT to Rs.233 per MT, depending on the reach where the sand was excavated in respect of West Godavari District. However, the approval/supporting/contract/LOA (as applicable) for the above-mentioned excavation rates have not been provided for our verification. Due to non-availability of the records, we are not able to ascertain whether the excavation rate is inclusive of GST or exclusive of GST.
  - 2) Sand Excavation Invoices by the Boatsmen Societies are not available on record. All the payments were made either based on District Collector/ DSO certification/ Online Portal Data. The KYC details of the Society such as PAN, Proof of Identity, GSTIN etc. are also not available. The details of the payee are also not reflecting in the bank statement. Bank payment vouchers and relevant supportings could not be provided.





- 3) TDS was deducted on Excavation Charges paid to Boatsmen Societies but there is no evidence such as TDS certificates of the Deductees to prove whether TDS deducted has been remitted and filed with the Income Tax Department. Further TDS/GST has not been deducted on any of the payments made to Boatsmen Societies.

Considering the non-availability of records as detailed above for our verification, we are not able to ascertain the impact and correctness of the expenditure pertaining to Sand Boatsman Excavation Charges recognised in Sand Operations.

- g) Due to the above reasons, the reconciliation of Balances of TDS payable, TDS payable under GST and GST Ledgers with the respective statutory records is pending. Considering non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in



India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint ventures for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August, 2023 and 22<sup>nd</sup> September 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021, the Board of Directors of the Holding Company in their meeting held on 22<sup>nd</sup> November 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2022 considering the opening balances based on the financial statements as approved by the Board and audited by us for the year ended March 31, 2021, and audited by the previous auditors for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 respectively. The reported amounts as on March 31, 2022 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 and subsequent approval at the Annual General Meetings.



We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 278.69 lakhs for the year ended March 31, 2022 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters.

Note No.45 and Note No 58 of notes to the accounts has to be considered in respect sand and survey stones businesses.

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

1. As required by Section 143 (3) of the Act, we report that:

- a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether proper books of account as required by law have been kept by the Holding company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph of our report, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
- e) The matter described in the Basis for Disclaimer of Opinion section may have an adverse effect on the functioning of the Group.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.



h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

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

Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements- Refer Note 37 to the Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the group to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, on funds have been received by the group from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.

v. The Group has not declared or paid any dividend during the year






2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Vijayawada  
Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

  
CA. A.V. Raghava Rao  
Partner  
M. No. 200578

UDW: 24p00f78 Bk. Alys-7250



## **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2022)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (d) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Holding Company for the year ended on that date.

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

The respective Board of Directors of the Holding company included in the Group are responsible for establishing and maintaining internal financial controls with reference to Consolidated financial statements based on the internal control over financial reporting criteria established by the Companies/Entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Consolidated financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting with reference to Consolidated financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") and Standard on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in the Disclaimer of Opinion section below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Holding company.

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

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



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

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

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

#### **Basis for Disclaimer of Opinion**

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over Financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the Holding company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2022

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Holding Company's internal financial control over financial reporting:

- a) The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2022.
- b) The Holding company did not have effective internal audit system commensurate with the size, nature and complexities of the business.
- c) The Holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables.
- d) The Holding Company did not have a system for periodical verification of Property, Plant and Equipment.
- e) The Holding company does not have system of timely posting of entries in the ERP software. Further, the Holding company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter-Unit Transactions.



f) In respect of sand operations of the Holding company,

- i. The Holding company does not have proper documents evidencing "dispatch/ sale quantities of sand" and has no standard operating procedures in place for confirmation of quantities.
- ii. Periodic Reconciliation of Bank Balances have not been done.
- iii. Non reconciliation of book balances of statutory ledgers with statutory records on account of filing the statutory returns based on provisional figures.
- iv. Non maintenance of registers/records such as cheque book register, fixed asset register, BG registers, EMD/PSD register, register of contractors and register of tender schedules sold.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above and based on the information and explanation given to us, the Holding Company has not adequately established its internal financial control over financial reporting on criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding company as at March 31, 2022 and the disclaimer has affected our opinion on the Consolidated financial statements of the Holding company and we have issued a Disclaimer of opinion on the Consolidated financial statements of the Holding company.

Place: Vijayawada  
Date: 14<sup>th</sup> December, 2023



For **Chowdary & Rao**  
**Chartered Accountants**

FRN 000656S

CA A V Raghava Rao  
Partner  
M No. 200578

UDIN: 24200578TSKALYS7250

# ANNEXURE-B to the Independent Auditors' Report

## Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.No	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Disclaimer opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.





2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable/ its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p>	<p>The Holding Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year, the company raised a term loan for investment in the suliyari coal mine, and the same has been initiated and utilised for the purpose for which it is availed. No amount has been deposited in the PD Account from this term loan.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p>





e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	e) There are no returned/ unpaid bills as on 31-03-2022.
6. Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or Indirectly.
7. Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the physical verification of property, plant and equipment report submitted by NSRK & Associates and as confirmed by the management, no such instances have taken place during the year.
8. Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management of the holding company has physically verified the inventory and stores and spares in FY 2021-22 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9. Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the Holding company during the year.
10. Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11. Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have disclaimed our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Disclaimer of Opinion paragraph, we are unable to comment upon the same.



12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2021-22 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The Holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2021-22 started in FY 2022-23. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2021-22.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the Holding company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Consolidated financial statements.

Place: Vijayawada  
Date: 14<sup>th</sup> December, 2023



For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

CA A.V. Raghava Rao  
Partner  
Mem No: 200578

UDIN: 24000578 BK ALYS 7250

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	5,687	6,550
Right-of-use assets	5	42	141
Capital work in progress	3	1,144	23
Other intangible assets	3	8,260	414
Intangible assets under development	5	1,40,107	64,099
<b>Financial assets</b>			
Investments	4	698	471
Loans	5	678	5,491
Other financial assets	6	91,104	85,677
Deferred tax assets (net)	7	2,473	2,614
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	42,079	35,574
<b>Total non-current assets</b>		<b>3,01,070</b>	<b>2,27,786</b>
<b>Current assets</b>			
Inventories	10	9,786	17,293
<b>Financial assets</b>			
Trade receivables	11	26,721	10,427
Cash and cash equivalents	12	13,714	12,340
Other bank balances	12	73,105	1,027
Loans	13	30,065	27,114
Other financial assets	14	3,119	3,338
Other current assets	15	6,860	12,913
<b>Total current assets</b>		<b>1,22,391</b>	<b>85,441</b>
<b>TOTAL ASSETS</b>		<b>4,23,461</b>	<b>3,13,227</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	631	631
Other equity	17	1,61,008	2,34,099
<b>Total equity</b>		<b>2,64,639</b>	<b>2,34,730</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	45,152	
Other financial liabilities	19	33,978	37,549
Provisions	20	5,137	1,140
Other non-current liabilities	21	254	754
<b>Total non-current liabilities</b>		<b>88,521</b>	<b>39,443</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	5,400	
Trade payables	23	11,424	10,703
Other financial liabilities	24	39,291	12,514
Other current liabilities	25	5,990	14,890
Current tax liabilities	26	9,296	6,447
<b>Total current liabilities</b>		<b>70,301</b>	<b>44,554</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,23,461</b>	<b>3,13,227</b>
Notes to financial statements	1-62		

The accompanying notes are an integral part of these standalone financial statements.

As per our report:

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0806565

A.V. Raghava Rao  
Partner  
Mem No. 200578

Date: 14-12-2023

UDIN: 24200578 BKALYS7250

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place : Vijayawada  
Date : November 22, 2023

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated statement of profit and loss for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	27	1,15,002	1,81,802
Other income	28	5,158	5,529
<b>Total income</b>		<b>1,20,161</b>	<b>1,87,331</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	8,445	(9,429)
Employee benefits expense	30	3,957	3,144
Finance costs	31	1,738	175
Depreciation and amortization expense	32	566	1,675
Power and fuel	33	580	582
Excavation & transport charges	34	27,686	28,582
Other expenses	35	35,831	1,43,628
<b>Total expenses</b>		<b>79,202</b>	<b>1,68,281</b>
<b>Profit before exceptional items and tax</b>		<b>40,958</b>	<b>19,050</b>
Add: Exceptional items (Net)			-
<b>Profit before tax</b>		<b>40,958</b>	<b>19,050</b>
Share of Profit/(loss) of joint venture		279	305
<b>Less: Tax expense/(benefit)</b>			
Current tax	36	10,994	6,230
Deferred tax	36	197	(422)
<b>Total tax expense/ (benefit)</b>		<b>11,185</b>	<b>5,808</b>
<b>Profit for the year from continuing operations</b>		<b>30,051</b>	<b>13,547</b>
Profit from discontinuing operations		-	-
Less: Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>30,051</b>	<b>13,547</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(140)	(12)
Items that will not be reclassified to profit or loss of JV		(2)	3
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(142)</b>	<b>[9]</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>29,909</b>	<b>13,538</b>
<b>Earnings per equity share (in Rs) -</b>			
(Nominal value of share Rs.1000/-)			
- Basic	42	47,653.81	21,482.48
- Diluted		47,653.81	21,482.48
<b>Notes to financial statements</b>	<b>1-62</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No.200578

Date: 14-12-2023

UDIN: 24200578BKALYS7250

for and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place : Vijayawada  
Date : November 22, 2023



Statement of changes in equity for the year ended March 31, 2022

Balance Sheet as at March 31, 2022

## A. Equity share capital

(Rs. in '000's)		
Particulars	No of Shares	Disposals/ adjustments/ transfer
Balance as at April 1, 2020	63,062	63,062
Changes in equity share capital during 2020-21		
Balance as at April 1, 2021	63,062	63,062
Changes in equity share capital during 2021-22		
Balance as at March 31, 2022	63,062	63,062

## B. Other equity

Particulars	Reserves and surplus			Other comprehensive income				Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2020								
Profit for the year	110	854	17,247	2,02,305	(57)	134	(30)	2,20,561
Other comprehensive income for the year				11,547				11,547
Total comprehensive income for the year								11,547
Transfer to reserve for bad and doubtful debts				13,547		19		13,566
Balance as at March 31, 2021		1756		256		153		19,465
Profit for the year	110	507	17,247	2,16,106	(57)	125	(30)	2,34,099
Other comprehensive income for the year				30,051				30,051
Total comprehensive income for the year								30,051
Transfer to reserve for bad and doubtful debts		930		30,051		1342		31,923
Balance as at March 31, 2022	110	1,531	17,247	2,45,223	(57)	137	(30)	2,64,008

## As per our report

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578

Date: 14-12-2023

UDIN: 24200578BKALYS7250

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

A. Nageswara Reddy  
General Manager

Raman Narayanan  
Director  
DIN: 13267142

Place: Vijayawada  
Date: November-22, 2023



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated cash flow statement for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	41,237	19,355
Adjustments for:		
Depreciation expense	1,607	27
Unwinding of discounting on price costs	131	102
Interest income	(4,274)	(7,349)
Depreciation and amortization expense	566	1,075
Provision for bad & doubtful advances		900
Liabilities no longer required written back	(262)	(2)
<b>Operating profit before working capital changes</b>	<b>39,053</b>	<b>16,720</b>
Adjustments for:		
Increase/(decrease) in trade payables	620	2,260
Increase/(decrease) in provisions	7,987	(35)
Increase/(decrease) in other financial liabilities	77,174	6,156
Increase/(decrease) in other liabilities	(8,900)	10,047
Decrease/(increase) in trade receivables	(16,294)	4,469
Decrease/(increase) in inventories	8,507	(9,435)
Decrease/(increase) in other assets	269	118,321
Decrease/(increase) in other financial assets	(5,764)	(3,435)
<b>Cash generated from operations</b>	<b>53,299</b>	<b>7,196</b>
Direct taxes paid (net of refunds)	8,145	5,473
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>45,153</b>	<b>1,716</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, C&IP and capital advances	(54,590)	(72,077)
Movements in other bank balance	(17,078)	4,512
Loans repaid / given to parties		5,845
Loans repaid / given to staff	(138)	(61)
Interest received	4,220	5,836
Proceeds from sale of NSC bonds	-	3
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(92,581)</b>	<b>(6,356)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	50,552	-
Interest paid	(1,607)	(27)
Payment of lease liability	(114)	(114)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>48,831</b>	<b>(141)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,403</b>	<b>(4,791)</b>
Cash and cash equivalents at the beginning of the year	12,330	17,120
<b>Cash and cash equivalents at the end of the year</b>	<b>13,733</b>	<b>12,330</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0	3
Balances with scheduled banks		
With current accounts	13,733	12,327
<b>Total cash and cash equivalents (Note 12)</b>	<b>13,733</b>	<b>12,330</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS - 7

As per our report

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200578

Date: 14-12-2023

DDIN: 24200578BKALYS7250

For and on behalf of the Board of Directors

V.G.Venkata Reddy  
VC & MD  
DIN: 08805525

Raman Narayanan  
Director  
DIN: 10267130

A.Nageswara Reddy  
General Manager - F&A

Place: Vijayawada  
Date: November 22, 2023

## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- IV. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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



### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:

- i. represent faithfully the financial position, financial performance and cash flows of the group;
- ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
- iii. are neutral, i.e. free from bias;
- iv. are prudent; and
- v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.





The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When part so fan item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.



Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.



Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 8,00,000 MTs from financial year 2018-19 onward and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.



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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.



Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate





pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The group has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan. Mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.



**q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

**r. Leases**

The group has adopted Ind AS 116-Leases effective from 1<sup>st</sup> April 2019, using modified retrospective method. The company has applied the standard to its lease with the cumulative impact recognised on the date of initial application (1<sup>st</sup> April, 2019). Accordingly, previous period information has not been restated.

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.



A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.



In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other



Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**





Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 1.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, right of use asset for the year ended March 31, 2022

Note -3

**Property, Plant And Equipment for the Year Ended 31.03.2022**

Particulars	Cost as at April 1, 2021	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2022	Accumulated Depreciation as at April 1, 2021	Depreciation For the Year	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2022	Net block as at March 31, 2022	Net block as at March 31, 2021
Land	2,803	1,633	-	4,436	-	-	-	-	4,436	2,803
Quarters & Pusta Constructions	437	-	-	437	229	21	-	252	185	208
Mining Equipment	704	3	-	712	518	39	-	557	155	191
Furniture & Fixtures	191	9	-	198	120	19	1	138	59	71
Office Equipment	2,595	6	2,358	247	1,283	90	1,119	215	32	1,352
Data Processing Equipment	237	61	42	239	191	23	21	194	65	48
Vehicles	196	27	-	223	123	30	-	154	70	73
Tents & Huts	31	16	-	47	29	1	-	30	17	2
Plant & Machinery	3,110	83	1,325	1,870	1,356	170	307	1,219	652	1,255
Leasehold building	255	-	-	255	227	13	-	241	14	27
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>409</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Less: Depreciation capitalised during the year						8				
<b>Total</b>	<b>10,567</b>	<b>1,843</b>	<b>3,724</b>	<b>8,686</b>	<b>4,037</b>	<b>402</b>	<b>1,447</b>	<b>2,999</b>	<b>5,687</b>	<b>6,530</b>
Previous year - 2020-21	9,810	757	-	10,567	2,890	1,543	-	8,092	6,530	7,329
<b>LEASED ASSETS - RIGHT OF USE</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Right of use asset	333	-	-	333	189	101	-	290	42	144
<b>Total</b>	<b>333</b>	<b>-</b>	<b>-</b>	<b>333</b>	<b>189</b>	<b>101</b>	<b>-</b>	<b>290</b>	<b>42</b>	<b>144</b>
Previous year - 2020-21	333	-	-	333	88	101	-	189	144	245
<b>Other Intangible Assets</b>										
<b>Class Of Asset</b>	<b>Cost as at April 1, 2021</b>	<b>Additions</b>	<b>Disposals/adjustments/transfer</b>	<b>Cost as at March 31, 2022</b>	<b>Accumulated Depreciation as at April 1, 2021</b>	<b>Depreciation For the Year</b>	<b>Disposal / Adjustments/ Transfer</b>	<b>Accumulated Depreciation as at March 31, 2022</b>	<b>Net block as at March 31, 2022</b>	<b>Net block as at March 31, 2021</b>
Computer Software	34	-	-	34	29	2	-	31	3	4
Mining Property	466	7,879	-	8,345	56	16	-	110	8,257	410
<b>Total</b>	<b>499</b>	<b>7,879</b>	<b>-</b>	<b>8,379</b>	<b>85</b>	<b>18</b>	<b>-</b>	<b>141</b>	<b>8,260</b>	<b>414</b>
Previous year - 2020-21	499	-	-	499	54	31	-	85	414	445
<b>Exploration Intangible assets under development</b>	<b>84,099</b>	<b>16,032</b>	<b>-</b>	<b>1,00,131</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>1,00,131</b>	<b>84,099</b>
Previous year - 2020-21	62,710	21,389	-	84,099	-	-	-	-	84,099	62,710
<b>Capital Work In Progress</b>	<b>21</b>	<b>1,144</b>	<b>23</b>	<b>1,144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,144</b>	<b>21</b>
Previous year - 2020-21	138	-	115	253	-	-	-	-	253	138



A	Long Current Investments	As at March 31, 2022	As at March 31, 2021
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i) M/s. APMDCL - SLLSL Pvt. Limited Company limited		
	2,10,000 equity shares (March 31, 2021 - 1,11,100) of Rs. 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii) M/s. N. Aggarwal company limited		
	1,000 equity shares (March 31, 2021 - 1,000) of Rs. 100/- each		
	Fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii) M/s. Durgam chauri mining company private limited		
	50,100 equity shares (March 31, 2021 - 50,100) of Rs. 10/- each		
	Fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	iv) M/s. Andhra phosphate private limited		
	1,11,000 equity shares (March 31, 2021 - 1,11,000) of Rs. 100/- each		
	Fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	Investment in Associates		
	v) M/s. Aswara mineral development private limited		
	65,100 equity shares (March 31, 2021 - 65,000) of Rs. 100/- each		
	Fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi) M/s. SHVP minerals private limited		
	3,25,000 equity shares (March 31, 2021 - 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii) M/s. Aravali minerals exports private limited		
	1,10,000 equity shares (March 31, 2021 - 1,10,000) of Rs. 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii) M/s. Vra minerals exports private limited		
	1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs. 10/- each		
	Fully paid up	14	14
	Less: Provision made for diminution in the value of shares	(14)	(14)
	ix) M/s. Vra gasco gasco private limited		
	1,10,000 equity shares (March 31, 2021 - 1,10,000) of Rs. 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x) M/s. Gupta minerals exports private limited		
	3,25,000 equity shares (March 31, 2021 - 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi) M/s. RLP quarries private limited		
	1,15,000 equity shares (March 31, 2021 - 1,15,000) of Rs. 10/- each		
	Fully paid up	14	14
	Less: Provision made for diminution in the value of shares	(14)	(14)
	xii) M/s. A.P. Capital sands & minerals private limited		
	1,10,000 equity shares (March 31, 2021 - 1,10,000) of Rs. 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii) M/s. Andhra Pradesh metal mining private limited		
	28,600 equity shares (March 31, 2021 - 28,600) of Rs. 10/- each		
	Fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



<b>Investment in Joint Ventures</b>		
i) M/s. E. G. Ganesh Industries private limited 15,00,000 equity shares (March 31, 2021 - 15,00,000) of Rs. 10/- each fully paid up	698	421
ii) M/s. Arjuna A.P. Enterprises private limited 21,00,000 equity shares (March 31, 2021 - 15,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	130 1510	310 310
iii) M/s. Palasa red granite private limited 11,00,000 equity shares (March 31, 2021 - 11,00,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 1510	210 310
iv) M/s. Gopala A.P. Enterprises private limited 1,325 equity shares (March 31, 2021 - 1,325) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 10	0 10
v) M/s. Andhra haryana enterprises private limited 8,52,400 equity shares (March 31, 2021 - 8,52,400) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 184	85 185
vi) M/s. Andhra Pradesh iron ore company limited 6,85,100 equity shares (March 31, 2021 - 6,85,100) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 11	1 11
vii) M/s. Turner cattle private limited 4,50,000 equity shares (March 31, 2021 - 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 451	45 145
viii) M/s. V. Minerals private limited 1,100 equity shares (March 31, 2021 - 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 11	1 11
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	698	421
<b>Aggregate amount of quoted investments - Market value</b>		
Aggregate amount of quoted investments - Bank value		-
Aggregate amount of unquoted investments	110	110
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71
<b>5. Loans (Non-current)</b>		
	<b>As at March 31, 2021</b>	<b>As at March 31, 2021</b>
Deposits with others		
Unsecured, considered good	140	139
Unsecured, considered doubtful	71	97
Provision for doubtful debts	(97)	(97)
Loans to others		
Unsecured, considered good		9,000
Loans to AP state farmers limited - Refer note 50		
Loans and advances to employees		
Unsecured, considered good	438	387
Unsecured, considered doubtful	5	9
Less: Allowance for bad and doubtful debts	(9)	(9)
<b>Total</b>	<b>678</b>	<b>9,491</b>



4	Other financial assets (non-current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, considered good - letter notes etc		
	Balance in current accounts (prepaid)	185	141
	Long term bank deposits	50,132	84,663
	Swap accounts	781	179
	Unsecured, considered doubtful		
	Balance in post office savings account	60	40
	Less: Provision for doubtful portfolio	(40)	(40)
	<b>Total</b>	<b>51,008</b>	<b>85,622</b>
5	Deferred tax asset (Net)	As at March 31, 2022	As at March 31, 2021
	Deferred tax asset		
	Property, plant & equipment	-	121
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	6	14
	Provision for decommissioning costs	2,219	281
	Provision for development costs	2	7
	Provision for bad & doubtful debts, investments & advances	2,637	1,101
	<b>Total deferred tax asset</b>	<b>4,864</b>	<b>2,523</b>
	Deferred tax liability		
	Property, Plant & Equipment	(1,892)	-
	Investment	(75)	(12)
	<b>Total deferred tax liability</b>	<b>(1,967)</b>	<b>(12)</b>
	<b>Net deferred tax asset</b>	<b>2,897</b>	<b>2,511</b>
6	Non-current tax assets	As at March 31, 2022	As at March 31, 2021
	Income Tax		
	Corporate tax receivable	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>
7	Other non-current assets	As at March 31, 2022	As at March 31, 2021
	A) Capital advances		
	Unsecured, considered good	4,094	2,304
	Unsecured, considered doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>4,094</b>	<b>2,304</b>
	B) Advances other than capital advances		
	Unsecured, considered good	11,041	19,517
	Unsecured, considered doubtful	1,739	1,789
	Less: Provision for doubtful advances	(1,789)	(1,789)
		<b>11,041</b>	<b>19,517</b>
	C) Others specified		
	Unsecured, considered good	16,992	13,601
	Unsecured, considered doubtful	1,388	1,983
	Less: Provision for doubtful advances	(1,388)	(1,983)
	Known expenses	1	2
		<b>16,992</b>	<b>13,603</b>
	<b>Total</b>	<b>22,127</b>	<b>35,574</b>
10	Inventories	As at March 31, 2022	As at March 31, 2021
	Finished goods	8,715	17,364
	Less: Provision for obsolete stock	(6)	(10)
	SCBs and spares	75	14
	<b>Total</b>	<b>8,784</b>	<b>17,368</b>





11	Trade receivables (Current)	As at March 31, 2022	As at March 31, 2021
	Unsecured, considered good	34,671	10,427
	Unsecured, considered credit impaired	1,524	5,760
	Less: Impairment allowance for doubtful debts	1,519	19,190
	Unbilled Receivables	120	
	<b>Total</b>	<b>34,796</b>	<b>30,427</b>
12	Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
	Cash and cash equivalents		
	Balances with banks	14,744	12,177
	Current assets	0	0
	Cash on hand	13,734	12,310
	Other bank balances		
	Fixed deposits with a maturity > 3 months but < 12 months	31,165	1,017
	<b>Total</b>	<b>48,839</b>	<b>25,504</b>
13	Loans (current)	As at March 31, 2022	As at March 31, 2021
	Loans to others		
	Unsecured, considered good		
	Company's share of interest income & management charges		
	Development authority. Refer page 10 & 11	30,000	27,000
	Loans and advances to employees		
	Unsecured, considered good	0	114
	<b>Total</b>	<b>30,000</b>	<b>27,114</b>
14	Other financial assets (Current)	As at March 31, 2022	As at March 31, 2021
	Advances receivable in cash		
	Unsecured, considered good		
	Interest received on deposits		
	Unsecured, considered good	3,120	3,428
	Unsecured, considered doubtful	264	264
	Less: Provision for the doubtful portion	(248)	(244)
	<b>Total</b>	<b>3,136</b>	<b>3,448</b>
15	Other current assets	As at March 31, 2022	As at March 31, 2021
	A) Advances recoverable		
	Unsecured, considered good	104	167
	B) Others - specified	105	160
	Unsecured, considered good		
	Balance with statutory authorities	5,376	12,450
	Special provisions	115	522
	Others	793	583
	<b>Total</b>	<b>6,493</b>	<b>15,882</b>



14	Equity share capital	As at March 31, 2022	As at March 31, 2021
Authorized share capital:			
3,00,000 equity shares of Rs 1000/- each		1,000	1,000
[March 31, 2019 - 3,00,000 equity shares of Rs 1000/- each]		1,000	1,000
Issued, subscribed and fully paid up share Capital:			
63,062 equity shares of Rs 1000/- each fully paid up		632	631
[March 31, 2019 - 63,062 equity shares of Rs 1000/- each]		631	631

#### 16.3 Additional notes

##### Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2022	As at March 31, 2021
Shares outstanding at the beginning of the year	63,062	63,061
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

#### 16.2 Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferred amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

#### 16.5 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the share holder	As at March 31, 2022	As at March 31, 2021
Government of the Andhra Pradesh, represented by its Joint Secretary to Government, Industries & Commerce Department,	63,059 (100%)	63,055 (100%)

17	Other equity	As at March 31, 2022	As at March 31, 2021
Capital reserves			
Free of equity shares for consideration other than cash allotted by:			
i. M/s. Anandapuri Development Private Limited			
65,000 equity shares (March 31, 2021 - 65,000) of Rs 10/- each			
fully paid up		7	7
Less: Provision made for diminution in the value of shares		(7)	(7)
ii. M/s. SRP Agritech Private Limited			
3,25,000 equity shares (March 31, 2021 - 3,25,000) of Rs 10/- each			
fully paid up		325	325
Less: Provision made for diminution in the value of shares		(13)	(13)
iii. Anandapuri Development Private Limited			
3,30,000 equity shares (March 31, 2021 - 3,30,000) of Rs 10/- each			
fully paid up		33	33
Less: Provision made for diminution in the value of shares		(13)	(13)
iv. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
v. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
vi. Anandapuri Development Private Limited			
1,30,000 equity shares (March 31, 2021 - 1,30,000) of Rs 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)



<p>ix. RLP garments private limited  1,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>15  (13)</p>	<p>11  (23)</p>
<p>x. M/s A 2 grain feed industry private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>(10)  (10)</p>	<p>100  (110)</p>
<p>xi. M/s Advance AP block galaxy garments private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>(10)  (10)</p>	<p>100  (110)</p>
<p>xii. M/s Palava red garments private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>(10)  (10)</p>	<p>100  (110)</p>
<p>xiii. M/s A 2 coastal sands &amp; minerals private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>1  (1)</p>	<p>1  (1)</p>
<p>xiv. M/s Unique manure mixing company private limited  50,000 equity shares (March 31, 2021: 50,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>5  (5)</p>	<p>0  (6)</p>
<p>xv. M/s Simplex AP Lajpore limited private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>0  (0)</p>	<p>0  (0)</p>
<p>xvi. M/s Andhra banyan corporate private limited  80,000 equity shares (March 31, 2021: 80,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>80  (80)</p>	<p>80  (80)</p>
<p>xvii. M/s Andhra Pradesh water company limited  6,850 equity shares (March 31, 2021: 6,850) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>1  (1)</p>	<p>1  (1)</p>
<p>xviii. M/s Luma cement private limited  4,50,000 equity shares (March 31, 2021: 4,50,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>45  (45)</p>	<p>45  (45)</p>
<p>xix. M/s M V minerals private limited  1,00,000 equity shares (March 31, 2021: 1,00,000) of Rs. 10/- each  fully paid up  Less: Provision made for diminution in the value of shares</p>	<p>1  (1)</p>	<p>1  (1)</p>
<p>Other Comprehensive Income</p>	<p>110</p>	<p>810</p>
<p>Opening Balance</p>	<p>39</p>	<p>46</p>
<p>Other comprehensive income in the year</p>	<p>(141)</p>	<p>(9)</p>
<p>Appropriated / Transferred from/to retained earnings</p>	<p>---</p>	<p>---</p>
<p>Closing balance</p>	<p>(102)</p>	<p>37</p>
<p>Reserve for Good and doubtful debts</p>	<p>---</p>	<p>---</p>
<p>Opening balance</p>	<p>597</p>	<p>814</p>
<p>Appropriated / Transferred from/to profit and loss account</p>	<p>934</p>	<p>(256)</p>
<p>Closing balance</p>	<p>1,531</p>	<p>557</p>
<p>General reserve</p>	<p>---</p>	<p>---</p>
<p>Opening balance</p>	<p>17,236</p>	<p>17,116</p>
<p>Closing balance</p>	<p>17,216</p>	<p>17,216</p>



Retained earnings		
Opening balance	2,16,137	2,02,313
Add/Less: Profit for the year	82,951	11,512
	<u>2,99,088</u>	<u>2,13,825</u>
Less: Appropriations		
Reserve for bad and doubtful debts	938	1255
Total appropriations	<u>938</u>	<u>1255</u>
Closing balance	<u>2,98,150</u>	<u>2,12,570</u>
Total	<u>2,98,008</u>	<u>2,54,098</u>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

18	<b>Borrowings (Non-Current)</b>	<b>As at</b> March 31, 2022	<b>As at</b> March 31, 2021
	Rupia Term Loan from Banks - Secured		
	Subsidiary Guarantee from SBI	45,152	
	<b>Total</b>	<b>45,152</b>	
19	<b>Other financial liabilities (Non-current)</b>	<b>As at</b> March 31, 2022	<b>As at</b> March 31, 2021
	Expenses payable against infrastructure development	687	687
	Direct Li	11,118	174
	Others	175	81,689
	<b>Total</b>	<b>11,980</b>	<b>82,549</b>
20	<b>Provisions (Non-current)</b>	<b>As at</b> March 31, 2022	<b>As at</b> March 31, 2021
	Provision for others		
	Provision for decommissioning cost	9,127	1,140
	<b>Total</b>	<b>9,127</b>	<b>1,140</b>
21	<b>Other non-current liabilities</b>	<b>As at</b> March 31, 2022	<b>As at</b> March 31, 2021
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
22	<b>Borrowings (Current)</b>	<b>As at</b> March 31, 2022	<b>As at</b> March 31, 2021
	Rupia Term Loan from Banks - Secured		
	Subsidiary Guarantee from SBI	5,400	
	<b>Total</b>	<b>5,400</b>	



23	Trade payables (Current)	As at March 31, 2022	As at March 31, 2021
	Trade payables		
	Due of micro enterprises and small enterprises		
	Due of credit from other than micro enterprises and small enterprises	13,324	10,702
	Total	13,324	10,702
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSME D Act) have been determined based on the information available with the company and the required disclosures are given below			
	Particulars	As at March 31, 2022	As at March 31, 2021
	a) Principal amount and interest due thereon		
	in interest paid in terms of section 36 of MSME D Act		
	b) Interest due and payable for the period of one year including interest specified under MSME D Act		
	c) Interest arrears and remaining unpaid at the end of the year		
	Principal interest due and payable in terms of section 36 of MSME D Act, 2006		
Due to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management			
24	Other financial liabilities (Current)	As at March 31, 2022	As at March 31, 2021
	Salaries & other benefits payable	218	239
	Unpaid money and security deposits from customers	6,756	4,756
	Other payables	17,814	15,114
	Total	58,288	12,324
25	Other current liabilities	As at March 31, 2022	As at March 31, 2021
	Advance from customers	1,011	1,111
	Statutory liabilities	9,571	12,753
	Unknown receipts/suspense	126	116
	Total	5,990	14,690
26	Current tax liabilities	As at March 31, 2022	As at March 31, 2021
	Provision for income tax	9,796	6,447
	Total	9,796	6,447





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2022  
All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
	Sale of products	92,857	48,973
	Sale of services		
	Agency services including transportation	17,220	1,28,743
	Others	9,926	4,085
	Total	1,15,002	1,81,802
28	Other income	For the year ended March 31, 2022	For the year ended March 31, 2021
	Interest income		
	Bank deposits	4,604	4,674
	Loans	4	3
	Others	413	633
	Other non operating income		
	Rent receipts	6	7
	Forfeiture of security deposit	-	156
	Sale of tender documents	65	27
	Liabilities no longer required written back	257	2
	Penalties on buyers and millers	59	-
	Revenue from sale of survey stones	531	-
	Other miscellaneous income	9	1
	Total	5,158	5,529
29	Changes in inventories of finished goods	For the year ended March 31, 2022	For the year ended March 31, 2021
	a) Opening stock of finished goods	17,164	7,735
		17,164	7,735
	b) Closing stock of finished goods	8,719	17,164
		8,719	17,164
	Changes in inventories of finished goods	8,445	(9,479)
30	Employee benefit expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
	Salaries and wages	3,070	2,554
	Contribution to provident fund and other funds	507	314
	Staff welfare expenses	380	275
	Total	3,957	3,144
31	Finance costs	For the year ended March 31, 2022	For the year ended March 31, 2021
	Unwinding of discount on provision	137	102
	Interest	1,407	77
	Total	1,738	129



32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Depreciation of property, plant and equipment	402	1,543
	Amortization of intangible assets	63	31
	Depreciation on right of use assets	111	101
	<b>Total</b>	<b>566</b>	<b>1,675</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Power and fuel	980	580
	<b>Total</b>	<b>980</b>	<b>580</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Excavation & transport charges for run of mine	5,582	4,287
	Excavation & transport charges for overburden	22,103	14,293
	<b>Total</b>	<b>27,685</b>	<b>18,580</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
	Rents	29	61
	Repairs & maintenance	305	182
	Insurance	10	12
	<b>Rates and taxes</b>		
	Royalty	8,702	4,716
	DMF	2,601	1,409
	NMET	121	94
	Cess	463	236
	Other rates and taxes	2,242	184
	<b>Other expenses</b>		
	Operating expenses	36	278
	Expenses for agency services	11,749	1,21,112
	Purchase of survey stones	531	-
	Discount on sales	-	989
	Transport and wagon loading charges	577	247
	Selling expenses	520	236
	New project expenses	50	1,598
	Office & general expenses	1,304	814
	Payment to auditors (refer note no 35.1)	8	8
	Audit fee for other auditors	16	7
	Printing & stationery	144	130
	Corporate social responsibility expenses	797	1,023
	Remuneration to out sourced services	3,783	6,124
	Research & Development Expenses	32	-
	Provision for doubtful advances	-	900
	Data processing charges	107	118
	Rehabilitation expenses	320	129
	Donations	1,770	985
	Miscellaneous expenditure	10	2
	<b>Total</b>	<b>35,831</b>	<b>1,43,603</b>



35.1	Payment to Auditors	For the year ended March 31, 2022	For the year ended March 31, 2021
	Statutory audit fee	8	8
	<b>Total</b>	<b>8</b>	<b>8</b>
36	<b>Income Tax</b>		
	The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Current tax		
	Current income tax charge	10,994	6,230
	<b>Total (a)</b>	<b>10,994</b>	<b>6,230</b>
	Deferred tax:		
	In respect of current year origination and reversal of temporary differences	191	(422)
	<b>Total (b)</b>	<b>191</b>	<b>(422)</b>
	<b>Total</b>	<b>11,185</b>	<b>5,808</b>
	<b>Other comprehensive income</b>		
	Items that will not be reclassified to P&L	For the year ended March 31, 2022	For the year ended March 31, 2021
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(76)	(11)
	Leave encashment	(64)	(2)
	<b>Total</b>	<b>(140)</b>	<b>(12)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
	Profit/(loss) before tax as per statement of profit and loss	40,058	19,050
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed tax expense	10,408	4,794
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	191	(422)
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	198	257
	b) Change in depreciation	54	203
	c) Provision for doubtful items	-	227
	d) Other items	425	749
	<b>Total income tax expense for the year</b>	<b>11,185</b>	<b>5,808</b>



**37. Contingent liabilities and commitments**

(to the extent not provided for)

All amounts are in lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration	9,808	9,808
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	4,570	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt 29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs 100 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01 2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government</p>		



	<p>a.To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b.To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs 50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p> <p>i) Aggregate till end of the previous year ii) For the year(net off payment)</p>	64,939 8,530	60,306 4,633
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2021-22, the total demand raised, deposits made and reaming un paid amount. (Details given below)	576	576
B	Contingent liability on BG's: Bank guarantees furnished to different Departments on behalf of the company.	63,000	63,000





C	Capital commitments in respect of unexecuted contracts.	
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In absence of data relating to issued bank guarantees on behalf of the company, total sanctioned limit has been included in contingent liabilities.

- \* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2021-2022, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
<b>Total - B</b>		<b>210</b>	<b>106</b>	<b>104</b>
<b>Grand total</b>		<b>1,457</b>	<b>575</b>	<b>576</b>

\*(There is no change in current year figures with previous year figures)



### 38. Classification of financial instrument

Classification of financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2022

As at 31st March, 2022					
Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	698	-	698
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other bank balances	-	-	33,105	-	33,105
Other financial assets	-	-	94,224	-	94,224
<b>Total</b>	-	<b>72</b>	<b>1,99,153</b>	-	<b>1,99,225</b>
<b>Financial liabilities:</b>					
Borrowings	-	-	-	50,552	50,552
Trade payables	-	-	-	11,324	11,324
Other financial liabilities	-	-	-	72,269	72,269
<b>Total</b>	-	-	-	<b>1,34,146</b>	<b>1,34,146</b>

As at 31st March, 2021

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	421	-	421
Loans	-	67	30,538	-	30,605
Trade receivables	-	-	10,427	-	10,427
Cash and Cash equivalents	-	-	12,330	-	12,330
Other Bank balances	-	-	1,027	-	1,027
Other Financial assets	-	-	88,960	-	88,960
<b>Total</b>	-	<b>67</b>	<b>1,43,703</b>	-	<b>1,43,770</b>



<b>Financial Liabilities:</b>				
Trade payables	-	-	10,703	1,0703
Other financial liabilities	-	-	45,063	45,063
<b>Total</b>	-	-	<b>55,767</b>	<b>55,767</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,780	3,780
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,780	3,780
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2021-22	2020-21
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	26,466	10,427
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	<b>26,466</b>	<b>10,427</b>

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



**i. Commercial risk**

**a. Sale price risk**

Particulars	Impact on profit	
	2021-22	2020-21
Selling price increase by 5%		
Barytes	4,889	2,653
Agency services	861	6,437
Selling price decrease by 5%		
Barytes	(4,889)	(2,653)
Agency services	(861)	(6,437)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2021-22		2020-21	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(279)	279	(214)	214
Excavation & transport charges for overburden	(1,105)	1105	(1,215)	1,215

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2022**

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>



As at 31st March 2021

Particulars	Carrying amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	10,703	10,703	10,703	-
Non-current financial liabilities	32,549	32,549	-	32,549
Current financial liabilities	12,514	12,514	12,514	-
<b>Total</b>	<b>55,767</b>	<b>55,767</b>	<b>23,217</b>	<b>32,549</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2022	As at 31-03-2021
Employers contribution to provident fund	94	89
Employers contribution to pension fund	52	51

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March 2021

Particulars	Gratuity		Leave encashment	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	476	590	453	542
Service cost	21	21	17	19
Interest expenses	30	33	29	31
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(57)	(179)	(63)	(141)
Remeasurements - actuarial (gains)/losses	75	11	62	2
<b>Benefit obligations at the end</b>	<b>546</b>	<b>476</b>	<b>498</b>	<b>453</b>





Particulars	Gratuity		Leave encashment	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	478	614	812	889
Interest income	32	35	53	54
Employer contributions	57	8	1	10
Benefits payments from plan assets	(57)	(179)	(63)	(141)
Actuarial gain / (loss) on plan assets	0	0	(2)	0
<b>Benefit obligations at the end</b>	<b>510</b>	<b>478</b>	<b>801</b>	<b>812</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
PV of obligations at the end of the year	546	476	498	453
Fair value of plan assets at the end of the year	510	478	801	812
Liability (+) / Asset (-) recognised in the balance sheet	36	(2)	(303)	(359)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Service cost	21	21	17	19
Interest expenses	(2)	(2)	(24)	(23)
<b>Net expense recognised</b>	<b>19</b>	<b>19</b>	<b>(7)</b>	<b>(4)</b>



**iv. Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Actuarial (gain)/losses on obligations for the period	76	11	62	2
Actuarial (gain)/losses on plan assets for the period	(0)	0	2	0
<b>Net expense recognised</b>	<b>75</b>	<b>11</b>	<b>64</b>	<b>2</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Rate of discounting	7.30%	6.77%	7.30%	6.77%
Rate of salary increase	6.00%	4.00%	6.00%	4.00%

**v. Summary of demographic assumptions**

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	62 Years	60 Years	62 Years	60 Years
Adj. average future service	15.51%	14.07%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

**vi. Maturity profile of defined benefit obligations:**

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Expected cash flow in year 1	30	60	83	105
Expected cash flow in year 2	13	36	67	73
Expected cash flow in year 3	44	72	76	82
Expected cash flow in year 4	91	66	88	65
Expected cash flow in year 5	83	55	70	50
Expected cash flow in year 6	68	40	56	38
Expected cash flow in year 7	53	45	44	35
Expected cash flow in year 8	58	50	41	36
Expected cash flow in year 9	67	16	42	17



Expected cash flow in year 10	23	83	21	30
Expected cash flow in year 11+	532	-	130	-

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Under base scenario	546	476	0.00%	0.00%
Salary escalation - up by 1%	579	509	6.07%	6.90%
Salary escalation - down by 1%	511	447	-6.44%	-6.28%
Withdrawal rates - up by 1%	550	481	0.72%	0.94%
Withdrawal rates - down by 1%	542	471	-0.80%	-1.04%
Discount rates - up by 1%	509	450	-6.88%	-5.47%
Discount rates - down by 1%	589	506	7.79%	6.12%
Mortality rates- up by 10%	546	-	0.04%	-
Mortality rates- down by 10%	546	-	-0.04%	-

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
Under base scenario	498	453	0.00%	0.00%
Salary escalation - up by 1%	523	473	5.00%	4.30%
Salary escalation - down by 1%	475	435	-4.70%	-4.10%
Withdrawal rates - up by 1%	499	455	0.20%	0.40%
Withdrawal rates - down by 1%	497	451	-0.20%	-0.40%
Discount rates - up by 1%	478	438	-4.00%	-3.30%
Discount rates - down by 1%	520	470	4.40%	3.60%
Mortality rates- up by 10%	499	-	0.00%	-
Mortality rates- down by 10%	498	-	0.00%	-

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.



**x. Liability risks**

**a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2022	As at 31-03-2021
Profit after tax before exceptional items	30,051	13,547
Add: exceptional items	-	-
Profit after tax after exceptional items	30,051	13,547
Profit available for equity shareholders	30,051	13,547
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	47,653.81	21,482.48
Basic and diluted earnings per share (In Rupees) – after exceptional item	47,653.81	21,482.48

**43. Segment Information**

**i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs. 73,542 Lakhs is derived from four customers (P Y 31,702 Lakhs from three customers) and 100% of revenue from sand operations are derived from single customer.

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2021-22**

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	42,288	4,658	-	46,946
Unallocated other income	-	-	4,931	4,931
Unallocated expenses and finance cost	-	-	(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
<b>Exceptional items</b>				
Profit on investment in JV	-	-	279	279
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,709)</b>	<b>41,237</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(16,894)</b>	<b>30,051</b>
<b>Other Information</b>				
Segment assets **	1,56,474	20,426	2,46,561	4,23,461
Segment liabilities **	85,819	10,616	62,386	1,58,822
Capital work in progress	24	-	1,120	1,144
Depreciation and amortisation	284	110	171	566





Non-cash expense other than depreciation and amortisation	-	-	5	5
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\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2020-21**

Particulars	For the year ended 2020-21			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	53,059	1,28,743	-	1,81,802
<b>Total segment revenue</b>	<b>53,059</b>	<b>1,28,743</b>	<b>-</b>	<b>1,81,802</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2020-21			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment results</b>				
<b>Profit/(Loss)</b>	20,769	707	-	21,476
Unallocated other income	-	-	4,994	4,994
Unallocated expenses and finance cost	-	-	(7,420)	(7,420)
<b>Profit before exceptional items and tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,426)</b>	<b>19,050</b>
<b>Exceptional items</b>				
Profit on investment in JV	-	-	305	305
<b>Profit before tax</b>	<b>20,769</b>	<b>707</b>	<b>(2,121)</b>	<b>19,355</b>
Income tax - Current	-	-	6,230	6,230
Deferred tax	-	-	(422)	(422)
<b>Profit after tax</b>	<b>20,769</b>	<b>707</b>	<b>(7,929)</b>	<b>13,447</b>
<b>Other Information</b>				
Segment Assets **	47,279	15,145	2,50,803	3,13,227
Segment liabilities **	11,901	16,959	49,637	78,497
Capital work in progress	-	23	-	23
Depreciation and amortisation	303	1,166	207	1,675
Non-cash expense other than depreciation and amortisation	-	-	905	905



**44. Related party transactions****A. List of related parties****(% of holding)**

Name of the related party	As at	
	31-03-2022	31-03-2021
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimexbarite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

**Key Management Personnel:**

Name of the related party	Relation
Sri VG. Venkata Reddy (04.02.2021 to till Date)	Vice Chairman & Managing Director

**Others**

Name of the related party	Relation
AP state fibernet limited Machilipatnam urban development authority Rayalaseema steel corporation Limited AP high grade steel limited Andhra Pradesh State Financial Service Corporation Limited	Fellow Government company / Authority



**B. Related party transactions****i. Amounts of revenue from the related parties**

<b>Name of the related party</b>	<b>Consideration</b>
Andhra Pradesh granite (Midwest) private limited	3,201
Pallavared granite private limited	624

**ii. Amount due (to)/from related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Andhra Pradesh granite (Midwest) private limited	62	840
Pallavared granite private limited	433	876
SRAP minerals private limited	45	45
Machilipatnam Urban Development Authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
SRAP minerals private limited	45	45
Andhra Pradesh granite (Midwest) private limited		237
Machilipatnam urban development authority	197	197
Pallavared granite private limited	107	107

**iv. Balance during the year with related parties**

<b>Investment in subsidiaries</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Qingole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyan coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
<b>Investment in joint ventures</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352



<b>Investment in associates</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Aswan mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Sri VG. Venkata Reddy (04.02.2021 to till Date)	-	-

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Corporation Limited	30,500	

**vii. Advance to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.



- ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b.** Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state.
- c.** As per oral instructions from the Government, it has been stipulated that company will be reimbursed for all its actual expenditures and will be provided with a margin. Consequently, revenue from sand operations has been recognized as follows. However, written representations from the Government regarding rates are not available.
- i. Excavation, loading and ramp maintenance services at Rs.127 per MT (Inclusive of GST).
  - ii. Sand boatsman excavation services recognised at rates ranging from Rs. 345 per MT to Rs. 375 per MT (inclusive of GST).
  - iii. Internal transportation services at Rs.4.90 per km per MT (inclusive of GST) and same has been paid to the respective transporter without any mark up to the company.
  - iv. Door delivery transportation services at the rates specified in GO No M.S. 40 dated 10.08.2020 (inclusive of GST) and same has been paid to respective transporter without any mark up to the company.

The reach wise and party wise details of agency income and transportation income are not available. The same have been initially recognized based on the output from the Code tree software. However, the data from code tree software is presently not available and relevant supporting to the sale vouchers are also not available.

- d.** Payments to the sand excavation and internal transportation expense have been based on the certification by the district sand officer/ district sand in charge (DSO /DSI). The relevant office documents that authorize an individual as District sand officer/ District Sand In charge (DSO /DSI) for certifying bills such as employee's name, role of authorization, and their specimen signature are missing. In the cases where the certification is not available, the payments were processed based on the invoices submitted by the vendors.
- e.** The data from the software developed by M/s. Code tree software solutions was used for recognizing Agency Income and Transportation Income. However, on conclusion of the sand operations in May 2021, the Sand portal as well as the agreement with M/s Code tree was discontinued. Despite several requests, Code





tree software solutions Private Limited has not handed over the sand portal data till date. Hence, the sand portal data used by the company for recognizing income and expenditure could not be reconciled with the books.

**f. Regarding the Door Delivery of Sand**

- i. Due to large number of transactions involved in the door-to-door delivery charges, daily reconciliations have not been made.
  - ii. Considering the voluminous amount of data, payments were made through HDFC bank on consolidated basis to individual transporters for the completed trips based on trip-completion confirmation recorded on the Sand portal. Basic KYC details such as Name, PAN. etc. regarding Sand Door delivery Transporters were not available on record.
  - iii. Considering the large number of transactions (more than 7,000 trips per day on average), the payments were made to the transporters based on Sand Portal data and the Transporters were not insisted to submit invoices for each trip. Hence, invoices are not available.
- g.** The details of the receipts have not been provided to us by the director of mines and geology due to which we could not reconcile the sale entries with receipt entries. Accordingly, the balance in trade receivable in the name of director of mines and geology amounting to Rs.169,87,00,208/- is subject to reconciliation for want of records.
- h.** We have not maintained any kind of stock registers including stock movement register at the sand reaches/ stock yards for capturing excavation, dispatch and internally transported quantities. Further any reconciliation of such stock and stock movement records with books of accounts could not be completed due to non-availability of such records.
- i.** Neither vouchers nor supportings were maintained for the bulk payments of door delivery of transportation of sand and Boatsmen charges. On many days during the year, the total transactions as per books could not be matched with the transactions as per bank statement and further reconciliation could not be made due to non-availability of records as mentioned above.
- j.** Further, due to no standard operating procedures approved for sand as such, there were many cases where Sand Receipt amounts were received from end customers directly in our bank account without routing it through the director of mines and geology. The information regarding such as details of customers, quantity of sand dispatched and value of sand dispatched are not known to the company. The same also was never reconciled with Director of Mines and Geology. The receipts were received in various modes of payments such as DDs, UPIs and cash directly deposited in our bank account. The share owed to director of mines and geology was also never transferred back to them due to non-availability of details. Accordingly, all such



amounts have been classified under unknown receipts and have been classified as current liability due to pending reconciliation with the director of mines and geology.

- k. With regards to sand operations through desiltation by boatsman societies, the following is submitted:
- i. In the districts of East and West Godavari, the operations of boatman societies were directly managed by the respective district administration, but no formal communication or order regarding this arrangement is available on record. The responsibility for operations was transferred to the corporation in December 2019 (West Godavari) & January 2020 (East Godavari).
  - ii. Since sand transactions were made by the district administration, the details of the sale transactions are available with them and the same is not available with the company.
  - iii. The pending payments during the period when operations were done by district administration was certified and advised to the company for payment, which was undertaken.
  - iv. Since then, the corporation has been paying all the bills based on certificates from the respective District Collector/DSO/Tahsildar as applicable. However, due to non-availability of records, the supporting vouchers are not available in respect of below expenditures.
  - v. No verification of Basic KYC details of the Boatsman Societies such as PAN, Proof of Constitution, GSTIN, etc. were necessitated and accordingly, not available on record. Since they did not provide PAN details, while IT TDS was deducted, the challans were not included in the TDS return at the time of filing. As such, majority of these challans were lying unconsumed at end of Financial Year.
  - vi. The price for excavation of sand per MT varied from Rs.177/MT to Rs.233/MT. The approval/contract/supportings for the above-mentioned prices are not available with the company.
  - vii. There was no written instruction from the Government as to whether the above price is inclusive/exclusive of GST. As explained in sub-para above, there is no practice of collection of GST for these sand supplies while with the District Administration. Therefore, we have assumed the above price is excluding GST while passing the entries in our books.
- l. In view of the complexities involved in the transactions, volume of transactions and due to non-availability of data during the lock down period on account of COVID – 19, we could not complete the detailed reconciliation of TDS, GST, GST TDS.
- m. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.



- i. Finalised the cut-off date for transition of sand operations to new agency
- ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
- iii. Handed over sand reaches
- iv. Transferred balance sand stocks in depots
- v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order.

**46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliya coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswanimineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arhamminerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Israminerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasreegranites private limited	Due to continuous defaults the company has been



	strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongoleminerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the Joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimexbarite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavaredgranite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**47. Deferred tax asset /(liability)**

Particulars	As at 31-03-2022	As at 31-03-2021
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	6	23
Provision for decommissioning asset	2,299	287
Property, plant and equipment	-	221
Other provisions	2,039	2,108
<b>Total deferred tax asset</b>	<b>4,344</b>	<b>2,639</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,897	-
Investments	25	25
<b>Total deferred tax liability</b>	<b>1,922</b>	<b>25</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,423</b>	<b>2,614</b>

**48. CSR Expenditure**

- Gross amount required to be spent by the company during the year is Rs.797 (Previous Year Rs.857).
- Amount spent during the year

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Construction/ acquisition of any assets	-	-
Purpose other than above	787	1,023

**49. Treatment of demerger plan in the Books of accounts**

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.





- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>



### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.86,384/- Lakhs (sweep accounts of Rs.787/- and fixed deposits of Rs.85,597/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

### **50. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the



loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority(MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all



transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

### **54. Non valuation of inventory**

#### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, the sales of current financial year, and also considering the current orders in hand as on balance sheet date closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and the remaining stock (67.29 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the previous year, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2022 is 1.78 lakh MT (including 220 MTs of Grade – 1) which the company has not valued.



## 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
<b>Total</b>		<b>2,556.86</b>

## 56. Term loan from the State Bank of India

During the year, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh repayable through 102 equal monthly installments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has drawn an amount of Rs.505.52 crores till 31-03-2022 and has been regular in repayment of interest and principal amounts on due dates.

## 57. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 for which Deposit certificates have been obtained from the APSFSCCL. Further, APMDCL has received interest regularly till 31-03-2022 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSCCL.

## 58. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Such a project was being undertaken after a gap of a century, but using modern technology for foolproof mapping of lands in 17,000 villages across the state in three phases. Accordingly, APMDCL was instructed with the responsibility of procuring & supplying the granite survey stones with the prescribed specifications to the Settlement and Land Records Department. Accordingly, during the year an amount of Rs.5.31 crores has been spent and same has been included in other expenditure. Further, revenue of Rs.5.31 crores (including unbilled revenue of Rs.1.15 crores) has been recognised without any mark up and same has been included in other income.





#### 59. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the year 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

#### 60. Additional information

##### Particulars of consumption of stores & spares (Rs.in. Lakhs)

Particulars	Figures as at the end of March 31, 2022		Figures as at the end of March 31, 2021	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	365	100.00	182	100.00
<b>Total</b>	<b>365</b>	<b>100.00</b>	<b>182</b>	<b>100.00</b>

#### 61. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2021 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, and 10<sup>th</sup> October 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C & AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, and 31<sup>st</sup> March 2021, the board of directors of the company in their meeting held on 10<sup>th</sup> October, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2021. In view of this, the reported amounts as on 31<sup>st</sup> March, 2022 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2021 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.



## 62. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to conform to the classification of the current year.
- All amounts have been reported in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS).

**For CHOWDARY & RAO**  
Chartered Accountants  
Firm Regn No.0006565


  
**A.V. Raghava Rao**  
Partner  
Mem No.200578




14/12/2023.

UDIN: 24200578BKALYS7250

*for and on behalf of the board of directors*

  
**V.G. Venkata Reddy**  
VC&MD  
DIN:08805525

  
**Raman Narayanan**  
Director  
DIN 10267130

  
**A. Nageswara Reddy**  
General Manager-F&A

Place: Vijayawada  
Date: November 22, 2023





## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying standalone financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, the profit and comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

1. The company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:



S.No	Name of the ledger	Note no	Classification	Rs. in lakhs	Dr/Cr
1	Demerger Adjustment	18	Other Financial liability(non-current)	67.19	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	18	Other Financial liability(non-current)	38,300.24	Cr
3	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	8,253.32	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	2,189.97	Dr
5	Demerger Adj Acc of FD's & FD kept for BG's	9	Other Non-current Assets	16,019.73	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	76,045.23	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	1,229.11	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	11,952.48	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	808.59	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	3,259.67	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	38.71	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	619.31	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	547.73	Dr
14	Int. on Fixed Deposits	26	Other Income	3714.24	Cr
15	Int. on FD kept for BG	26	Other Income	392.18	Cr
16	Interest on FDR BG - Without Lien	26	Other Income	448.05	Cr
17	Int. on Sweep account SBI, Khairatabad	26	Other Income	38.54	Cr
18	Vijayawada (bank)	12	Cash and cash equivalents	198.03	Dr

2. The company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2023 by the company could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification.



4. The following Ledger balances as on March 31, 2023 are subject to receipt of utilization certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2023 Rs. in lakhs
Adv.to EE Panc. Raj Dep (RPT)	EE Panchayat Raj, Rajampet	53.90
Deposit with RDO Rajampet [Rehabilitation]	Regional District Officer, Cuddapah	86.65
Deposit with District Collector [Rehabilitation]	District Collector, Cuddapah	18,971.61
Deposit With Sub Treasury - (Rajampet)	Regional District Officer, Cuddapah	238.50

Due to non-availability of utilization certificates and confirmation from the respective parties, statutory authorities, we are unable to ascertain whether the above balances have been utilized or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the standalone financial statements of the Company.

4. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements.
5. The company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court fees payable amounting to Rs. 185.57 Crores (Cr Balance). Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.
6. The Company has balances in Sales Tax Payable of Rs. 1.22 Crores (Credit), APVAT Payable of Rs 1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit). The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective ledgers and the resultant impact on the standalone financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.
7. The Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act





Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.

8. The company has Trade Receivables balance amounting to Rs. 398.82 Crores and advance from customers amounting to Rs. 296.01 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 398.82 Crores and Advance from Customers amounting to Rs. 296.01 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables.
9. We were informed that the balance in the following ledgers are pending final settlement on account of pending court proceedings: -

Sl.no	Name of the ledger	Amount	Dr/Cr
1	Sri Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C-S.C.K.C.V	5,47,81,729	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up-to-date status of the court proceedings are not available on record. Further, the balances in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.

10. The Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial year 2020-21 and financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.
11. The Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority ("MUDA") on 03/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



12. Balance in Suspense Account amounting to Rs. 1.80 crores have been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
13. During the year company has paid an amount of Rs. 22.91 crores against outstanding balances pertaining to sand operations and which was carried over from the previous year financials on which we have issued a disclaimer of opinion.

#### **Disclaimer of opinion for the previous year**

We draw attention to our audit report dated 22<sup>nd</sup> November 2023, wherein we issued a disclaimer of opinion on the financial statements for the year ended 2021-2022. This disclaimer was due to non-maintenance of records pertaining to the sand operations undertaken by the company previously and same have been discontinued in the previous year. Further, there are no transactions in the sand operations except payment of an amount of Rs. 22.91 crores against outstanding payables.

#### **Emphasis of matter Paragraph**

We draw attention to Note 57 of the financial statements, which describes the commencement of the supply of survey stones by the Company to the Survey, Settlement, and Land Records (SSLR) Department, Andhra Pradesh, during the year under review, as per the minutes of the Board of Directors meeting held on 13-05-2021. However, there is no proper Memorandum of Understanding (MoU) in place between APMDCL and the SSLR Department for the supply of survey stones.

To meet the supply requirements, the Company has initiated setting up of four Granite Cutting, Polishing and Engraving Units in Prakasam, Chittoor, Srikakulam and Anantapuram Districts on turnkey Basis in Andhra Pradesh. During the period, the Prakasam District plant has commenced its operations and operated through an O&M. However, there is no progress in respect of other units.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the



other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

#### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our responsibility is to conduct an audit of the standalone financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Qualified Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the standalone financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matter**

The financial statements of the Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 respectively are not adopted by the members of the company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August 2023, 10<sup>th</sup> October 2023 and 22<sup>nd</sup> November 2023, respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> November, 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2023 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended, March 31, 2020, March 31, 2019 and March 31, 2018 respectively and



audited by us for the financial year ended 2021, and march 31,2022. The reported amounts as on March 31, 2023 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 subsequent approval at adjourned Annual General Meetings

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter as described in the Basis for our Qualified opinion paragraph.
  - b. Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Indian Accounting standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on future cashflows of the Company.
  - f. As per Notification GSR 463 (E) dated 5th June 2015 Issued by the Ministry of Corporate Affairs, the provisions of section 164 (2) of the Companies Act, 2013 is not applicable, as the Company is a Government Company.
  - g. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - h. With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure D".
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.





- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph, we are unable to state whether the company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 36 to the Standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. [a] The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
  
 (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
  
 (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause (a) and (b) above, contain any material mis-statement.
  - v. The Company has not declared any dividend's during the year
3. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure-C.

Place: Vijayawada  
Date: 20<sup>th</sup> January, 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 000656

*R. A. V. Raghava Rao*  
CA. A.V. Raghava Rao  
Partner  
M No 200578

UDIN: 25200578BMHVUC8938



### Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2023)

With reference to Annexure – A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2023, we report the following:

**1. In respect of Company's Property, Plant and Equipment and Intangible Assets:**

- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc., property, plant and equipment and intangible assets.
- b) There is no documented policy/ laid down procedures for conducting physical verification of Property, Plant and Equipment. Hence, we are unable to comment on the process of physical verification of Property, Plant and Equipment by the company.
- c) In respect of immovable properties, title deeds/possession certificates are not available in respect of 1.61 Acres at Mangampeta (Carrying Amount: Rs. 23,43,985) and 2.07 Acres at Dwaraka Tirumala (Carrying Amount: Rs. 1,877). Further, in respect of the other lands, only Possession Certificates issued by concerned authorities are available on record.
- d) According to the information and explanations given to us and on the basis of our explanation of the company, the company has not revalued its property, plant and equipment or intangible assets or both during the year. Therefore, the Clause 3(i)(d) of the order is not applicable to the company.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceeding initiated or are pending against the company for holding any benami property under the Benami Transaction Prohibition Act 1988. Therefore, the Clause 3(i)(e) of the Order is not applicable to the Company.

**2. In respect of inventory**

- A. i. The physical verification of inventory has been conducted at reasonable intervals by the Management.
  - ii. The coverage and procedure of physical verification of inventory followed by the management is reasonable, adequate and appropriate in relation to the size of company and the nature of its business.
  - iii. The company has maintained proper records of inventory. The discrepancies noticed on such verification between the physical stocks and book stocks were not material for each class of inventory and the same have been properly dealt with in the books of accounts.
- B. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not availed any working capital loans during the year.



3. According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013. Accordingly, we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.
4. As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as the Company is a Government Company and has obtained necessary approval from the Ministry/ State Government. Hence reporting under Clause (iv) of Paragraph 3 of the Order is not applicable.
5. The company has received amounts towards supply of material but have not been adjusted within a period of three hundred and sixty days. Accordingly, these amounts are deemed deposits. The register of deposits as required to be maintained has not been provided for our verification. The entire outstanding is overdue and there is a default on repayment of deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
6. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company in our opinion. However, no cost records have been provided for our verification due to which we are unable to comment on whether the same have been made and maintained.
7. a. According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

Sl.no	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	TDS	2019-20	8,32,824
2	Central Goods and Services Tax, Act	TDS	2019-20	1,29,16,730
3	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
4	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	94,19,538
5	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2022-23	23,14,59,105
6	Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 to 2022-23	33,21,310



- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company subject to the matters described in Basis for Qualified Opinion paragraph, the following Statutory dues have not been deposited by the company on account of disputes:

Sl.no	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount in Rupees
1	Income Tax Act	Demand	ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act	Demand	ITAT	2012-13	1,10,70,279
3	Income Tax Act	Demand	ITAT	-	27,31,630
4	Income Tax Act	Demand	CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive 2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030
9	VAT/Sales Tax	Consideration from Joint Venture & Other Receipts	Appellate Tribunal (Tirupati)	2020-21	6,64,38,807
10	CST APPELLATE Authority	H-form's	CST Appellate Visakhapatnam	2022-23	3,74,39,288
11	CESTAT	Service tax on Seigniorage	CESTAT Hyderabad	2021-22	1,77,63,051

The aforesaid details are provided solely based on the details made available by the company which could not be independently verified for want of information and records except for AY 2016-17.

8. According to the information and explanations given to us, and based on examination of the books of accounts of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



9. In respect of loans availed

- a. According to the information and explanations give to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b. According to the information and explanations give to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or lender.
- c. According to the information and explanations give to us by the management, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, Clause 3(ix) (d) of the Order is not applicable.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the company. We report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) of the order is not applicable.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.

10. Initial public offer or further public offer

- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, 3 (x) (a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Accordingly, Clause 3 (x)(b) of the Order is not applicable.

11. Frauds

- a. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b. There is no Audit Report in Form AD1-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed by the auditors with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act.
- c. According to the information and explanations given to us, no whistle blower complaint has been received by the company during the year.





12. The Company is not a Nidhi company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. Internal Audit system
- a. The Company has an internal audit system, but in our opinion which is inadequate to commensurate with the size and nature of its business.
  - b. The Reports of the Internal Auditors for the period under audit were considered.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Clause (xv) of Paragraph 3 of the Order is not applicable.
16. The nature of the business and activities of the Company are such that the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of Paragraph 3 of the Order is not applicable.
17. According to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. According to the information and explanation given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year. Accordingly, Clause 3 (xviii) of the Order is not applicable and hence not commented upon.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dated of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not Capable of meeting its liabilities existing at the date of balance sheet date. We however, state that this is not an assurance as to the futures viability of the Company. We further neither state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date. Will get discharged by the Company as and when they fall due.
20. a. There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

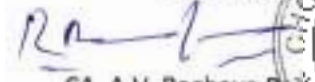




- b. There are no unspent amounts in respect of ongoing projects, that are required to be transferred to special account in compliance of provision of sub section (6) of section 135 of Companies Act

Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 000578

  
CA. A.V. Raghava Rao  
Partner  
M. No : 200578



UDIN: 25200578BMHVUC8938

## **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2023)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.



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

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

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

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

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

### **Basis for Qualified Opinion**

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2023

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting

- a. The system of internal financial controls over financial reporting with regard to the Company were not made available to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023
- b. The Company has an internal audit system, but in our opinion which is inadequate to commensurate with the size and nature of its business.
- c. The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables. The ERP system was unable to generate detailed reports of respective balances, including opening, current year transaction, and closing balances, along with their ageing analysis.



- d. There is no documented policy/ laid down procedures for conducting physical verification of Property, Plant and Equipment
- e. The company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter branch transactions.
- f. The company does not have adequate internal control system in place for monitoring the interest earned on the fixed deposits and timely renewal of fixed deposits
- g. It was observed that the calculation of depreciation and amortization for Property, Plant, and Equipment (PPE) and intangible assets is not automated through the Enterprise Resource Planning (ERP) system. Instead, these calculations are performed manually by the finance team.
- h. It was observed that the opening balances of financial data were maintained in one domain division of the Enterprise Resource Planning (ERP) system, while subsequent entries were recorded in a different division. This inconsistency, attributed to inadequate internal controls, poses a risk to the integrity and accuracy of financial records.
- i. During the course of our audit, we observed that the company has deposits with various authorities. However, the company is not maintaining a deposit/advance register that records details such as the parties to whom deposits/advances have been made, the purpose of such deposits/advances, and other relevant information. Additionally, utilization certificates for such deposits/advances have not been obtained. This deficiency in internal controls adversely affects the company's ability to present a true and fair view of its financial position, as required by the applicable financial reporting framework. We recommend the company implement robust processes to maintain detailed records of all deposits and advances, along with obtaining and reviewing utilization certificates to strengthen internal financial controls.

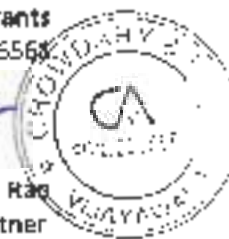
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the Company as at March 31, 2023 and these, material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a Qualified opinion on the financial statements

Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 000656X

CA. A. V. Raghava Rao  
Partner  
M. No: 200578



UDIN: 25200578BMHVUC8938



# ANNEXURE-C to the Independent Auditors' Report

## Report on Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodically. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realised on these works, with full quantitative details may be detailed	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies.





2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.</p>
3.	<p>Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)</p>	<p>There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.</p>
4.	<p>Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately</p>	<p>According to the information and explanations given to us and on the basis of our examination of the records of the company, The Company has accounted Taxes on Expenditure appropriately, wherever applicable.</p>
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but</p>	<p>The Company has been maintaining Public Deposit Account vide account No: 11000093601.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year company has utilized additional limit from the existing loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2023.</p>



	not cleared/ returned unpaid as on the reporting date along with age-wise analysis;	
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	The Management has physically verified the inventory and stores and spares in FY 2022-23 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.



13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the company has not disbanded and discontinued any mines during the year covered under our audit.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the Standalone financial statements.

Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

For Chowdary & Rao  
Chartered Accountants  
FRN 00069655

  
CA. A.V. Raghava Rao  
Partner

Mem No: 200578

UDIN: 25200578BMHVUC8938

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone balance sheet as at March 31, 2023  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,173	5,687
Right of-use assets	3	102	42
Capital work in progress	3	914	1,144
Other intangible assets	3	8,082	8,260
Intangible assets under development	3	1,54,777	1,40,102
<b>Financial assets</b>			
Investments	4	110	110
Loans	5	570	678
Other financial assets	6	98,082	91,104
Deferred tax assets (net)	7	-	2,023
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	56,042	42,379
<b>Total non-current assets</b>		<b>3,35,711</b>	<b>3,00,883</b>
<b>Current assets</b>			
Inventories	10	20,794	3,786
<b>Financial assets</b>			
Trade receivables	11	37,477	26,721
Cash and cash equivalents	12	40,426	13,739
Other bank balances	12	63,705	33,105
Loans	13	40,131	30,065
Other financial assets	14	5,043	3,119
Other current assets	15	15,843	6,860
<b>Total current assets</b>		<b>2,13,417</b>	<b>1,22,393</b>
<b>TOTAL ASSETS</b>		<b>5,49,128</b>	<b>4,22,874</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	631	631
Other equity	17	3,22,062	2,63,420
<b>Total equity</b>		<b>3,22,693</b>	<b>2,64,051</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	49,035	45,157
Other financial liabilities	19	36,547	33,978
Provisions	20	10,012	9,137
Deferred tax liability (net)	7	2,155	-
Other non-current liabilities	21	254	254
<b>Total non-current liabilities</b>		<b>98,004</b>	<b>88,522</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	10,800	5,400
Trade payables	23	18,468	11,324
Other financial liabilities	24	37,937	38,291
Other current liabilities	25	45,130	5,890
Current tax liabilities	26	16,097	9,796
<b>Total current liabilities</b>		<b>1,28,433</b>	<b>70,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,49,128</b>	<b>4,22,874</b>
<b>Notes to financial statements</b>	<b>1-61</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For Chowdary R Rao  
 Chartered Accountants  
 Firm Regn No. D006555


A.V. Raghava Rao  
 Partner  
 Mem No 208578

UDIN: 25200578 RM/VUC 8938

Place: Vijayawada  
 Date: January 20, 2025

For and on behalf of the Board of Directors

  
 V.V.V. Phani Kumar  
 Managing Director  
 DIN: 07106418

  
 G. Rama Subbala  
 Director  
 DIN: 10915409

  
 V.V.V. Phani Kumar  
 General Manager - F&A





**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone Statement of profit and loss for the year ended March 31, 2023**  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	27	2,10,191	1,15,534
Other income	28	10,814	4,627
<b>Total income</b>		<b>2,21,005</b>	<b>1,20,161</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	(11,990)	8,445
Employee benefits expense	30	4,600	3,956
Finance costs	31	7,733	1,738
Depreciation and amortization expense	32	3,496	566
Power and fuel	33	948	980
Excavation & transport charges	34	76,271	27,686
Other expenses	35	56,203	35,831
<b>Total expenses</b>		<b>1,37,260</b>	<b>79,203</b>
<b>Profit before exceptional items and tax</b>		<b>83,746</b>	<b>40,958</b>
Add : Exceptional Items (Net)			
<b>Profit before tax</b>		<b>83,746</b>	<b>40,958</b>
<b>Less : Tax expense/(benefit)</b>			
Current tax	36	20,202	10,994
Deferred tax	36	4,578	191
<b>Total tax expense/ (benefit)</b>		<b>24,780</b>	<b>11,185</b>
<b>Profit for the year from continuing operations</b>		<b>58,966</b>	<b>29,772</b>
Profit from discontinuing operations		-	-
Less : Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>58,966</b>	<b>29,772</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(324)	(140)
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(324)</b>	<b>(140)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>58,642</b>	<b>29,632</b>
<b>Earnings per equity share (in Rs) -</b> <b>[Nominal value of share Rs.1,000 /-]</b>			
- Basic	42	93,504.62	47,211.87
- Diluted		93,504.62	47,211.87
<b>Notes to financial statements</b>	<b>1-61</b>		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

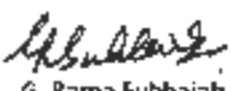
A.V. Raghava Rao  
 Partner  
 Mem No. 200578


UDIN: 25200578BMHVQC8958

Place : Vijayawada  
 Date : January 20, 2025

For and on behalf of the Board of Directors

  
 Sri Pravin Kumar  
 Managing Director  
 DIN: 07106418

  
 G. Rama Subbaiah  
 Director  
 DIN: 10915403

  
 V.V.V. Phani Kumar  
 General Manager - F&A





The Andhra Pradesh Mineral Development Corporation Limited

Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital

Particulars	No of Shares	Disposals/adjustments/transfer
Balance as at April 1, 2021:	63,062	63,062
Changes in equity share capital during 2021-22		
Balance as at April 1, 2022	63,062	63,062
Changes in equity share capital during 2022-23		
Balance as at March 31, 2023	63,062	63,062

B. Other equity

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actual gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2021	110	597	17,050	2,15,996	(57)	121	(30)	2,33,788
Profit for the year	-	-	-	29,772	-	-	-	29,772
Other comprehensive income for the year	-	-	-	-	-	(140)	-	(140)
Total comprehensive income for the year	-	-	-	29,772	-	(140)	-	29,632
Transfer to reserve for bad and doubtful debts	-	934	-	(934)	-	-	-	-
Balance as at March 31, 2022	110	1,531	17,050	2,44,835	(57)	(140)	(30)	2,63,420
Profit for the year	-	-	-	58,966	-	-	-	58,966
Other comprehensive income for the year	-	-	-	-	-	(374)	-	(374)
Total comprehensive income for the year	-	-	-	58,966	-	(374)	-	58,642
Transfer to reserve for bad and doubtful debts	-	794	-	(794)	-	-	-	-
Balance as at March 31, 2023	110	2,325	17,050	3,03,007	(57)	(343)	(30)	3,22,062

(Rs. in Lakhs)

As per our report of even date

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 00006565

A.V. Raghava Rao  
Partner  
Mem No 200578



For and on behalf of the Board of Directors

Sri Praveen Kumar  
Managing Director  
DIN-07106418

G. Rama Subbalah  
Director  
DIN-10715409  
V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada  
Date : January 20, 2023

UDIN: 25200578BMHUC8988

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the year ended March 31, 2023  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	83,746	40,958
Adjustments for:		
Interest expense	7,031	1,607
Unwinding of discounting on provisions	701	131
Interest income	(10,354)	(4,226)
Depreciation and amortization expense	3,496	566
Dividend income	(110)	-
Provision for bad & doubtful advances	3,146	-
Liabilities no longer required written back	(54)	(252)
<b>Operating profit before working capital changes</b>	<b>87,602</b>	<b>38,774</b>
Adjustments for:		
Increase/(decrease) in trade payables	7,144	620
Increase/(decrease) in provisions	(3,241)	7,987
Increase/(decrease) in other financial liabilities	2,343	27,320
Increase/(decrease) in other liabilities	39,140	(8,900)
Decrease/(increase) in trade receivables	(10,756)	(16,294)
Decrease/(increase) in inventories	(12,008)	8,507
Decrease/(increase) in other assets	(22,946)	547
Decrease/(increase) in other financial assets	(8,937)	(5,264)
<b>Cash generated from operations</b>	<b>78,342</b>	<b>53,298</b>
Direct taxes paid (net of refunds)	13,401	8,145
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>64,941</b>	<b>45,153</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWIP and capital advances	(20,310)	(64,590)
Movements in other bank balance	(30,600)	(32,078)
Loans to staff	38	(138)
Interest received	10,354	4,226
Dividend income	110	-
Proceeds from sale of NSC bonds	36	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(40,372)</b>	<b>(92,581)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	9,283	50,552
Interest paid	(7,031)	(1,607)
Payment of lease liability	(129)	(114)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>2,123</b>	<b>48,831</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>26,692</b>	<b>1,404</b>
Cash and cash equivalents at the beginning of the year	13,734	12,330
<b>Cash and cash equivalents at the end of the year</b>	<b>40,426</b>	<b>13,734</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	0
Balances with scheduled banks		
With current accounts	40,425	13,734
<b>Total cash and cash equivalents (Note 12)</b>	<b>40,426</b>	<b>13,734</b>

The accompanying notes are an integral part of these standalone financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind As - 7

As per our report of even date

For and on behalf of the Board of Directors


For Chowdary & Rao  
 Chartered Accountants  
 Firm Regn No: 0006565

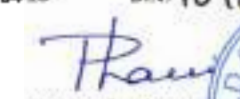
A.V. Anjaney Rao  
 Partner  
 Mem No 200578



UOIN: 85200578BMHVUC8938

  
 Pravin Kumar  
 Managing Director  
 DIN: 07106418

  
 G. Rama Subbaraj  
 Director  
 DIN: 10915409

  
 V.V.V. Phani Kumar  
 General Manager - F&A



Place : Vijayawada  
 Date : January 20, 2025

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamalur Mandal, Vijayawada, Andhra Pradesh-521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and defined benefit and other long term employee benefits that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed.

Accounting estimates could change from period to period



Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

#### **Judgements**

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

#### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geomining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.





### **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established

### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest Income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims [including interest on delayed realization from customers] are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of a item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.





**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 12,00,000 MTs from financial year 2022-23 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

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



The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

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

**Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined Benefit Plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

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



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

#### **Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.





Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The



provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

In the case of coal, mining plan is prepared for entire life of the mine and provision has to be made for shortfall in the quantity of overburden not removed as per the standard stripping ratio. Excess quantity of overburden removed over and above the standard stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

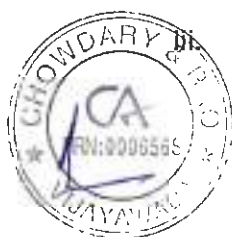
Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and  
The company has right to direct the use of the asset.



At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

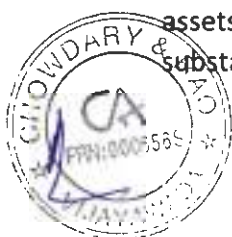
For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale.



A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

##### **iv. De-recognition of financial assets**

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

#### **Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

##### **i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.





- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially



vable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Property, Plant and Equipments, Capital work in progress, Intangible assets, right of use asset for the year ended March 31, 2023**  
(Rs. in Lakhs)

Note :3

Property, Plant And Equipments For The Year Ended 31.03.2023									
Particulars	Cost as at April 1, 2022	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the Year	Disposals/ Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2022
Land	0.438	1.298	-	5.536	-	-	-	5.536	4.438
Quarries & Pucca Construction	437	-	-	437	252	-	-	270	185
Mining Equipment	712	10	-	722	557	30	-	587	155
Furniture & Fixtures	198	4	-	201	338	16	-	354	59
Office Equipment	247	12	-	259	215	33	-	228	32
Data Processing Equipment	250	39	-	287	194	44	-	238	65
Vehicles	223	103	-	327	154	40	-	194	70
Tents & Pucca	47	90	-	138	31	26	-	57	17
Plant & Machinery	1,870	1,607	-	3,477	1,219	287	-	1,506	652
Leasehold Building	200	-	-	255	141	1	-	242	14
Total	8,685	2,962	-	11,648	2,999	477	-	3,476	5,687
Less: Depreciation capitalised during the year	-	-	-	-	-	1	-	-	-
Total	8,685	2,962	-	11,648	2,999	476	-	3,475	5,687
Previous year - 2021-22	10,567	1,943	3,724	8,486	4,037	409	1,407	3,999	6,530
LEASED ASSETS - RIGHT OF USE									
Right of use asset	311	185	245	274	190	119	238	171	42
Total	333	185	245	274	290	119	238	172	42
Previous year - 2021-22	333	-	-	333	189	101	-	290	144
Other Intangible Assets									
Class Of Asset	Cost as at April 1, 2022	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the Year	Disposals/ Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2022
Computer Software	34	0	-	34	31	1	-	32	1
Mining Property	6,345	-	-	8,345	68	175	-	264	8,257
Total	6,379	0	-	8,379	119	177	-	296	8,260
Previous year - 2021-22	499	7,879	-	8,378	85	34	-	119	414
Exploration intangible assets under development	1,40,131	17,199	-	1,57,330	29	2,774	-	2,753	1,48,102
Previous year - 2021-22	64,099	56,032	-	1,40,131	-	29	-	-	24,089
Capital Work In Progress	1,144	-	230	914	-	-	-	-	1,144
Previous year - 2021-22	1,144	1,144	23	1,144	-	-	-	1,144	23



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2023	March 31, 2022
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCC, Suliya coal company limited		
	4,100 equity shares (March 31, 2021: 5,300) of Rs 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s. Nuzvid coal company limited		
	3,000 equity shares (March 31, 2021: 3,000) of Rs. 100/- each		
	Fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s. Damselbura Minerals (P) Ltd		
	16,000 equity shares of Rs 10/- each fully paid up	2	2
	Less: Provision made for diminution in the value of shares	(2)	(2)
	iv. M/s. Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2021: 56,100) of Rs 10/- each		
	Fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associate		
	v. M/s. Aswani mineral development private limited		
	65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each		
	Fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi. M/s. SRAP mineral private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii. M/s. Arham mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii. M/s. Isra mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	ix. M/s. Mangasree granites private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s. Ongole mineral exports private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi. M/s. RUP granite private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s. A.P. coastal sands & metals private limited..		
	13,000 equity shares (March 31, 2021: 13,000) of Rs. 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s. Andhra Pradesh tribal mining private limited		
	28,600 equity shares (March 31, 2021: 28,600) of Rs 10/- each		
	Fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



Investment in joint ventures		
vi. M/s. A. P. granites (m.dwest) private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs. 10/- each fully paid up	110	110
vii. M/s. Alliance A. P. black granite private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
viii. M/s. Pallavard granite private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
ix. M/s. Gimpex AP barytes beneficiation private limited 1,320 equity shares (March 31, 2021: 1,320) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
x. M/s. Andhra baryte corporation private limited 8,52,500 equity shares (March 31, 2021: 8,52,500) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xi. M/s. Andhra Phosphate (P) company limited 5,850 equity shares (March 31, 2021: 5,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s. Inner barite private limited 4,50,000 equity shares (March 31, 2021: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xiii. M/s. V. V. minisul private limited 1,100 equity shares (March 31, 2021: 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xiv. M/s. Andhra phosphate (P) Ltd 1,120 equity shares of Rs. 1,000/- each fully paid up Less: Provision made for diminution in the value of shares	11 (11)	11 (11)
Investments measured at amortised cost		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	110	110
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	110	110
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71
Loans (Non-current)		
Deposits with others		
Unsecured, considered good	286	286
Unsecured, considered doubtful	93	93
Less: Provision for doubtful debts	(93)	(93)
Loans to others		
Unsecured, considered good	-	-
Loans and advances to employees		
Unsecured, considered good	116	116
Unsecured, considered doubtful	9	9
Less: Allowance for bad and doubtful debts	(9)	(9)
Total	374	374





6	Other financial assets (Non-current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good - Refer note: 4B		
	Balance in Current Accounts (Fixed)	198	185
	Long term bank deposits	97,075	90,132
	Swap accounts	209	187
	Unsecured, considered doubtful		
	Balance in post office savings account	3	40
	Less: Provision for doubtful portion	(4)	(40)
	<b>Total</b>	<b>98,082</b>	<b>91,104</b>
7	Deferred tax asset (Net)	As at March 31, 2023	As at March 31, 2022
	Deferred tax asset		
	Property, plant & equipment		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis		6
	Provision for deferred running costs	1,412	1,259
	Provision for lease liability / assets	1	2
	Provision for bad & doubtful debts, investments & advances	2,819	2,637
	<b>Total deferred tax asset</b>	<b>5,294</b>	<b>4,346</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,879	1,897
	Investment	25	25
	Intangible Asset under development	5,545	
	<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
	<b>Net deferred tax asset</b>	<b>2,150</b>	<b>(2,423)</b>
8	Non current tax assets	As at March 31, 2023	As at March 31, 2022
	Income Tax		
	Corporate tax receivable	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>
9	Other non-current assets	As at March 31, 2023	As at March 31, 2022
	A) Capital advances		
	Unsecured, considered good	4,046	4,046
	Unsecured, considered doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>4,046</b>	<b>4,046</b>
	B) Advances other than capital advances		
	Unsecured, considered good	23,018	21,041
	Unsecured, considered doubtful	4,935	1,789
	Less: Provision for doubtful advances	(4,935)	(1,789)
		<b>23,018</b>	<b>21,041</b>
	C) Others - specified		
	Unsecured, considered good	28,978	16,941
	Unsecured, considered doubtful	1,988	1,388
	Less: Provision for doubtful advances	(1,988)	(1,388)
	Prepaid expenses		5
		<b>28,978</b>	<b>16,952</b>
	<b>Total</b>	<b>56,042</b>	<b>42,079</b>
10	Inventories	As at March 31, 2023	As at March 31, 2022
	Finished goods	20,708	8,719
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	93	75
	<b>Total</b>	<b>20,794</b>	<b>8,786</b>



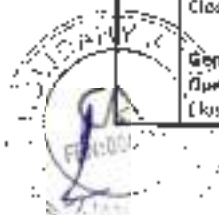
11	Trade receivables (Current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good	33,260	36,000
	Unsecured, considered credit impaired	1,524	1,524
	Less: Impairment allowance for doubtful debts	(3,524)	(3,524)
	Unbilled Receivables	4,237	120
	Total	35,477	36,120
12	Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Cash and cash equivalents		
	Balances with banks:		
	in current accounts	40,425	13,794
	Cash on hand	0	0
	(a)	40,425	13,794
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	63,705	33,105
	(b)	63,705	33,105
	Total	1,04,131	46,899
13	Loans (current)	As at March 31, 2023	As at March 31, 2022
	Loans to others		
	Secured, considered good		
	vehicle loans to staff	22	14
	Unsecured, considered good		
	Loan to AP state Enterprise Limited & Machhapuram Urban Development Authority. Refer Note 49 & 50	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	109	0
	Total	30,131	30,069
14	Other financial assets (Current)	As at March 31, 2023	As at March 31, 2022
	Interest accrued on deposits		
	Unsecured, considered good	5,257	3,364
	Less: Provision for the doubtful portion	(244)	(244)
	Total	5,013	3,119
15	Other current assets	As at March 31, 2023	As at March 31, 2022
	A) Advances recoverable		
	Unsecured, considered good	1,664	709
		1,664	709
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	12,608	5,339
	Prepaid expenses	1,346	519
	Others	150	291
	Total	14,179	6,151
	Total	15,843	6,860



16	Equity share capital	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital</b> 1,00,000 equity shares of Rs. 1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs. 1000/- each)		1,000	1,000
		1,000	1,000
<b>Issued, subscribed and fully paid up share Capital.</b> 63,062 equity shares of Rs. 1000/- each fully paid up (March 31, 2023 - 63,062 equity shares of Rs. 1000/- each)		631	631
		631	631
<b>16.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
	Particulars	As at March 31, 2023	As at March 31, 2022
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year		
	Shares outstanding at the end of the year	63,062	63,062
<b>16.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs. 1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>16.3 The details of shares in the Company held by each shareholder holding more than 3% shares</b>			
	Name of the share holder	As at March 31, 2023	As at March 31, 2022
	Governor of the Andhra Pradesh- represented by assistant secretary to Government (mines) Industries & Commerce department	63,059 (100%)	63,059 (100%)
<b>17</b>			
	Other equity	As at March 31, 2023	As at March 31, 2022
<b>Capital reserves</b>			
Free ride equity shares for consideration other than cash allotted by			
i. M/s. Aswani mineral development private limited			
65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each			
fully paid up		7	7
Less: Provision made for diminution in the value of shares		(7)	(7)
ii. M/s. SHAP mineral private limited			
3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each			
fully paid up		33	33
Less: Provision made for diminution in the value of shares		(33)	(33)
iii. Ashem mineral exports private limited			
1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
iv. Isra mineral exports private limited			
1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
v. Margaree granites private limited			
1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each			
fully paid up		13	13
Less: Provision made for diminution in the value of shares		(13)	(13)
vi. Ongole mineral exports private limited			
3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each			
fully paid up		33	33
Less: Provision made for diminution in the value of shares		(33)	(33)



vi. RLP granite private limited 5,15,000 equity shares(March 31, 2021 : 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	59 (33)	33 (33)
vii. M/s A.P granites (Hydwan) private limited 11,00,000 equity shares(March 31, 2021 : 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s. Alliance A.P. black galaxy greens private limited 11,00,000 equity shares(March 31, 2021 : 11,00,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
x. M/s Palavared granites private limited 1,10,000 equity shares(March 31, 2021 : 1,10,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xi. M/s A.P coastal sands & metals private limited . 13,000 equity shares(March 31, 2021 : 13,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s. Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2021 : 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	6 (6)	6 (6)
xiii. M/s Gumpes AP barytes beneficiation private limited 1,320 equity shares(March 31, 2021 : 1,320) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2021 : 8,52,500) Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xv. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2021 : 6,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xvi. M/s. Arimex granite private limited 4,50,000 equity shares(March 31, 2021 : 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xvii. M/s. V.V. minerals private limited 1,100 equity shares(March 31, 2021 : 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xviii. M/s Damodhara Minerals (P) Ltd 18,931 equity Shares of Rs.10/- each fully Paid up Less: Provision made for diminution in the value of shares	2 (2)	2 (2)
	110	110
Other comprehensive income		
Opening Balance	(106)	35
Other comprehensive income for the year	(324)	(140)
Add/(Less): Transferred from/to retained earnings		
Closing balance	(430)	(105)
Reserve for bad and doubtful debts		
Opening balance	1,511	587
Add/(Less): Transferred from to profit and loss account	794	934
Closing balance	2,305	1,521
General reserve		
Opening balance	17,019	17,019
Closing balance	17,019	17,019



Retained earnings			
Opening balance		2,44,866	2,16,077
Add/(less): Profit for the year		58,965	29,772
		3,03,831	2,45,800
Less: Appropriations			
Reserve for bad and doubtful debts		794	934
Note appropriations		794	934
Closing balance		3,03,038	2,44,866
Total		3,22,082	2,63,470
Nature and purpose of reserve(s)			
General reserve			
General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.			
Reserve for bad and doubtful debts			
Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.			
Retained earnings			
Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.			
18	Borrowings	As at March 31, 2023	As at March 31, 2022
	Rupia Term Loan from Banks - Secured		
	From State Bank of India (Refer Note: 55)	49,035	45,152
	Total	49,035	45,152
19	Other financial liabilities (Non-current)	As at March 31, 2023	As at March 31, 2022
	Expenses payable against infrastructure development	3,208	687
	Deposits	35,166	33,118
	Others	173	173
	Total	38,547	33,978
20	Provisions (Non-current)	As at March 31, 2023	As at March 31, 2022
	Provision for employee benefits		
	Provision for leave benefits	191	-
	Provision for gratuity		
	Provision for others:		
	Provision for decommissioning cost	9,822	9,117
	Total	10,012	9,117
21	Other non-current liabilities	As at March 31, 2023	As at March 31, 2022
	Others		
	Statutory liabilities	254	254
	Total	254	254
22	Borrowings (Current)	As at March 31, 2023	As at March 31, 2022
	Rupia Term Loan from Banks - Secured		
	From State Bank of India (Refer Note: 55)	10,800	5,400
	Total	10,800	5,400





23	Trade payables (Current)	As at March 31, 2023	As at March 31, 2022
	Trade payables		
	Dues of micro enterprises and small enterprises	-	-
	Dues of creditors other than micro enterprises and small enterprises	18,468	11,329
	Total	18,468	11,329
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below			
	Particulars	As at March 31, 2023	As at March 31, 2022
	a) Principal amount and interest due thereon	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			
24	Other financial liabilities (Current)	As at March 31, 2023	As at March 31, 2022
	Salaries & other benefits payable	120	219
	Earnest money and security deposits from customers	21,273	5,256
	Other payables	16,546	31,614
	Total	37,939	38,291
25	Other current liabilities	As at March 31, 2023	As at March 31, 2022
	Advance from customers	29,601	1,192
	Statutory liabilities	15,349	4,671
	Provision for gratuity/leave pay	180	126
	Total	45,130	5,990
26	Current tax liabilities	As at March 31, 2023	As at March 31, 2022
	Provision for income tax	16,097	9,296
	Total	16,097	9,296



All amounts are in Rs. Lacs, unless otherwise stated

31	Finance costs	For the year ended March 31, 2023	For the year ended March 31, 2022
	Unwinding of discount on provision	701	131
	Interest	7,031	1,607
	Total	7,733	1,738



32	<b>Depreciation and amortisation expense</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Depreciation of property, plant and equipment	476	402
	Amortization of intangible assets	2,901	63
	Depreciation on right of use assets	119	101
	<b>Total</b>	<b>3,496</b>	<b>566</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Power and fuel	948	980
	<b>Total</b>	<b>948</b>	<b>980</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Excavation & transport charges for run of mine	6,545	5,582
	Excavation & transport charges for overburden	37,658	22,103
	Excavation of coal & OB Removal	32,068	-
	<b>Total</b>	<b>76,271</b>	<b>27,686</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Rents	21	29
	Repairs & maintenance	256	365
	Insurance	9	10
	<b>Rates and taxes</b>		
	Royalty	16,111	8,702
	DMF	3,565	2,601
	NMET	322	173
	Cess	558	463
	Reserve price	6,343	-
	MPGSVA Exp	2,265	-
	Forest tax coal exp	810	-
	Other rates and taxes	587	2,242
	<b>Other expenses</b>		
	Operating expenses	128	16
	Expenses for agency services	-	11,749
	Purchase of survey stones	7,272	531
	Discount on sales	335	-
	Transport and wagon loading charges	591	577
	Selling expenses	687	520
	New project expenses	705	50
	Office & general expenses	2,493	1,304
	Payment to auditors (refer note no 35.1)	10	8
	Audit fee for other auditors	11	16
	Printing & stationery	77	144
	Corporate social responsibility expenses	2,054	787
	Remuneration to out sourced services	5,014	3,783
	Research & Development Expenses	-	32
	Provision for doubtful advances	3,146	-
	Data processing charges	67	107
	Rehabilitation expenses	2,238	320
	Donations	503	1,270
	Miscellaneous expenditure	27	10
	<b>Total</b>	<b>56,203</b>	<b>35,831</b>



35.1	Payment to Auditors	For the year ended March 31, 2023	For the year ended March 31, 2022
	Statutory audit fee	10	8
	<b>Total</b>	<b>10</b>	<b>8</b>

### 36 Income Tax

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax:</b>		
Current income tax charge	20,202	10,994
<b>Total (a)</b>	<b>20,202</b>	<b>10,994</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	4,578	191
<b>Total (b)</b>	<b>4,578</b>	<b>191</b>
<b>Total</b>	<b>24,780</b>	<b>11,185</b>

### Other comprehensive income

Items that will not be reclassified to P&L	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of defined benefit plan loss/gain		
Gratuity	(139)	(76)
Leave encashment	(185)	(64)
<b>Total</b>	<b>(324)</b>	<b>(140)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(loss) before tax as per statement of profit and loss	83,746	40,958
Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
computed tax expense	21,077	10,308
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	4,578	191
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	517	198
b) Change in depreciation	(3,049)	63
c) Provision for doubtful debts	792	-
d) Other items	865	425
<b>Total income tax expense for the year</b>	<b>24,780</b>	<b>11,185</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2023	As at 31.03.2022
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,808	9,808
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	5,04,18	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landad measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs 1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>73,469</p> <p>12,296</p>	<p>64,939</p> <p>8,530</p>
<p>vi</p>	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and remaning un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>576</p>



<b>B</b>	Contingent liability on BG's: Bank guarantees furnished to different Authorities on behalf of the company.	80,274	63,000
<b>C</b>	Capital commitments in respect of unexecuted contracts.	.	.

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2022-2023, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	.	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	.	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total – A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
Less: Share of TSMDC		.	(311)	-
Share of APMDC		.	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2022-23		778	58	720
<b>Total – B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
Financial Assets:					
Investments	-	-	110	-	110
Loans	-	68	30,637	-	30,705
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	40,426	-	40,426
Other bank balances	-	-	63,705	-	63,705
Other financial assets	-	-	1,03,124	-	1,03,124
Total	-	68	2,75,479	-	2,75,547
Financial liabilities:					
Borrowings	-	-	-	59,835	59,835
Trade payables	-	-	-	18,468	18,468
Other financial liabilities	-	-	-	74,484	74,484
Total	-	-	-	1,52,787	1,52,787

As at 31st March, 2022

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
Financial Assets:					
Investments	-	-	110	-	110
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other Bank balances	-	-	33,105	-	33,105
Other Financial assets	-	-	94,224	-	94,224
Total	-	72	1,98,565	-	1,98,637



<b>Financial Liabilities:</b>					
Borrowings	-	-	-	50,552	50,552
Trade payables	-	-	-	11,324	11,324
Other financial liabilities	-	-	-	72,269	72,269
<b>Total</b>	-	-	-	<b>1,34,145</b>	<b>1,34,146</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under:

Particulars	2022-23	2021-22
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,524	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,524	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2022-23	2021-22
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	33,260	26,601
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	33,260	26,601

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:



i. Commercial risk

a. Sale price risk

Particulars	Impact on profit	
	2022-23	2021-22
Selling price increase by 5%		
Barytes & Coal	10,100	4,889
Agency services	-	861
Survey Stones	409	-
Selling price decrease by 5%		
Barytes & Coal	(10,100)	(4,889)
Agency services	-	(861)
Survey Stones	(409)	-

b. Excavation & Transport Charges risk

Particulars	Impact on profit			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(327)	327	(279)	279
Excavation & transport charges for overburden	(1,883)	1,883	(1,105)	1,105
Excavation of Coal & OB Removal	(1,603)	1,603	-	-

40. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2023

Particulars	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>152,787</b>	<b>152,787</b>	<b>67,205</b>	<b>85,582</b>





As at 31st March 2022

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
<b>Total</b>	<b>1,34,146</b>	<b>1,34,146</b>	<b>55,015</b>	<b>79,131</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2023	As at 31-03-2022
Employers contribution to provident fund	178	94
Employers contribution to pension fund	62	52

#### 8. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2022

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	546	476	498	453
Service cost	19	21	29	17
Interest expenses	38	30	35	29
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(44)	(57)	(36)	(63)
Remeasurements - actuarial (gains)/losses	134	75	178	62
<b>Benefit obligations at the end</b>	<b>694</b>	<b>546</b>	<b>706</b>	<b>498</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	510	478	801	812
Interest income	36	32	57	53
Employer contributions	5	57	5	1
Benefit payments from plan assets	(44)	(57)	(36)	(63)
Actuarial gain / (loss) on plan assets	0	0	(6)	(2)
<b>Benefit obligations at the end</b>	<b>503</b>	<b>510</b>	<b>822</b>	<b>801</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
PV of obligations at the end of the year	694	546	706	498
Fair value of plan assets at the end of the year	503	510	822	801
Liability (+) / Asset (-) recognised in the balance sheet	191	36	(116)	(303)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Service cost	19	21	29	17
Interest expenses	2	(2)	(22)	(24)
<b>Net expense recognised</b>	<b>21</b>	<b>19</b>	<b>7</b>	<b>(7)</b>



**iv. Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of other comprehensive income:**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Actuarial (gain)/losses on obligations for the period	134	76	178	62
Actuarial (gain)/losses on plan assets for the period	5	0	6	2
<b>Net expense recognised</b>	<b>139</b>	<b>75</b>	<b>184</b>	<b>64</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Rate of discounting	7.52%	7.30%	7.52%	7.30%
Rate of salary increase	7.00%	6.00%	7.00%	6.00%

**v. Summary of demographic assumptions**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.29%	15.51%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave avallment rate	-	-	2.00%	2.00%

**vi. Maturity profile of defined benefit obligations:**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Expected cash flow in year 1	1,07	30	191	83
Expected cash flow in year 2	99	13	127	67
Expected cash flow in year 3	62	44	103	76
Expected cash flow in year 4	66	91	83	88
Expected cash flow in year 5	72	83	76	70
Expected cash flow in year 6	83	68	80	56
Expected cash flow in year 7	31	53	40	44
Expected cash flow in year 8	142	58	71	41



Expected cash flow in year 9	62	67	35	42
Expected cash flow in year 10	7	23	17	21
Expected cash flow in year 11+	525	532	142	130

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	694	546	0.00%	0.00%
Salary escalation - up by 1%	713	579	2.75%	6.07%
Salary escalation - down by 1%	672	511	-3.16%	-6.44%
Withdrawal rates - up by 1%	700	550	0.91%	0.72%
Withdrawal rates - down by 1%	687	542	-1.02%	-0.80%
Discount rates - up by 1%	656	509	-5.52%	-6.88%
Discount rates - down by 1%	737	589	6.26%	7.79%
Mortality rates- up by 10%	694	546	0.05%	0.04%
Mortality rates- down by 10%	693	546	-0.05%	-0.04%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	706	498	0.00%	0.00%
Salary escalation - up by 1%	735	523	4.10%	5.00%
Salary escalation - down by 1%	678	475	-3.90%	-4.70%
Withdrawal rates - up by 1%	706	499	0.00%	0.20%
Withdrawal rates - down by 1%	705	497	-0.10%	-0.20%
Discount rates - up by 1%	683	478	-3.20%	-4.00%
Discount rates - down by 1%	730	520	3.50%	4.40%
Mortality rates- up by 10%	706	499	0.00%	0.00%
Mortality rates- down by 10%	706	498	0.00%	0.00%



**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

**x. Liability risks****a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

**b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

**42. Earnings per share (EPS)**

Particulars	As at 31-03-2023	As at 31-03-2022
Profit after tax before exceptional items	58,966	29,772
Add: exceptional items	-	-
Profit after tax after exceptional items	58,966	29,772
Profit available for equity shareholders	58,966	29,772
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
<b>Basic and diluted earnings per share (In Rupees) – before exceptional item</b>	<b>93,504.62</b>	<b>47,211.87</b>
<b>Basic and diluted earnings per share (In Rupees) – after exceptional item</b>	<b>93,504.62</b>	<b>47,211.87</b>

**43. Segment Information****i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

**ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.





**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,40,544 Lakhs is derived from five customers (P.Y 73,542 Lakhs from four customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2022-23**

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,02,002		8,189	2,10,191
<b>Total segment revenue</b>	<b>2,02,002</b>	<b>-</b>	<b>8,189</b>	<b>2,10,191</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	97,984	-	-	97,984
Unallocated other income	-	-	9,926	9,926
Unallocated expenses and finance cost	-	-	(24,164)	(24,164)
<b>Profit before exceptional items and tax</b>	<b>97,984</b>	<b>-</b>	<b>(14,238)</b>	<b>83,746</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>97,984</b>	<b>-</b>	<b>(14,238)</b>	<b>83,746</b>
Income tax - Current			20,202	20,202
Deferred tax	-	-	4,578	4,578
<b>Profit after tax</b>	<b>97,984</b>	<b>-</b>	<b>(39,018)</b>	<b>58,966</b>



Other Information				
Segment assets **	2,17,255	16,166	3,15,707	5,49,128
Segment liabilities **	1,45,060	8,861	72,515	2,26,436
Capital work in progress	332		582	914
Depreciation and amortisation	3,309	886	177	3,496
Non-cash expense other than depreciation and amortisation	-	-	3	3

\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2021-22**

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment revenue includes other income which is directly attributable to each segment

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	42,288	4,658	-	46,946
Unallocated other income	-	-	4,931	4,931
Unallocated expenses and finance cost	-	-	(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(17,173)</b>	<b>29,773</b>
<b>Other Information</b>				
Segment Assets **	1,56,474	20,426	2,45,974	4,22,874
Segment Liabilities **	85,819	10,616	62,387	1,58,823
Capital work in progress	24	-	1,120	1,144



Depreciation and amortisation	284	110	171	566
Non-cash expense other than depreciation and amortisation	-	-	5	5

#### 44. Related party transactions

##### A. List of related parties

Name of the related party	(% of holding)	
	As at 31-03-2023	As at 31-03-2022
<b>Subsidiaries</b>		
Ongole Iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex barite private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

##### Key Management Personnel:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state fiber net limited - APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited - APSFSL	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,498
Pallavared granite private limited	447

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Andhra Pradesh granite (Midwest) private limited	274	62
Pallavared granite private limited	-	433
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2023	As at 31-03-2022
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
Pallavared granite private limited	-	107

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2023	As at 31-03-2022
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2023	As at 31-03-2022
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Tranex baryte private limited	45	45



Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	357
<b>Investment in associates</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration & Others to key management personal**

Name of the key management personal	As at 31-03-2023	As at 31-03-2022
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	12	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	30,500

**vii. Advance to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.





#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stock yards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stock yard, ramp maintenance, loading of sand into dispatch vehicles at the stock yard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stock yards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.22.91 crores against pending bills.



**46. Deferred tax asset /(liability)**

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for employee benefits	0	6
Provision for decommissioning asset	2,472	2,299
Property, plant and equipment	-	-
Other provisions	2,822	2,039
<b>Total deferred tax asset</b>	<b>5,294</b>	<b>4,344</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,879	1,897
Investments	25	25
Intangible Asset Under Development	5,545	-
<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
<b>Deferred tax asset /(liability) - net</b>	<b>2,155</b>	<b>(2,423)</b>

**47. CSR Expenditure**

- Gross amount required to be spent by the company during the year is Rs 716 (Previous Year Rs.797)
- Amount spent during the year

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Construction/ acquisition of any assets	-	-
Purpose other than above	2,054	787

**48. Treatment of demerger plan in the Books of accounts**

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared
- The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved



- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
- APMDC – 58.32%
  - TSMDC – 41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>



#### **Amounts held in current accounts, fixed deposits, sweep accounts**

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.89,402/- Lakhs (sweep accounts of Rs.809/- and fixed deposits of Rs. 88,593/-) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its latter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the



loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.In.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFCL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all





transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

## **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

## **53. Non valuation of inventory**

### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 8,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and based on the sales of current financial year, and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MTs and the remaining stock (78.37 lakhs MTs) is considered without value.

### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company.

During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh



agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2023 is 1.63 lakh MT's (including 151 MTs of Grade - 1) which the company has not valued.

#### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
	<b>Total</b>	<b>2,556.86</b>

#### 55. Term loan from the State Bank of India

During the financial year 2020-21, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh and same is repayable through 102 equal monthly instalments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has been regular in repayment of interest and principal amounts on due dates.

#### 56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the current financial year totalling to Rs.555.00 crores till 31-03-2023 for which Deposit certificates have been obtained from the APSFSCCL. APMDCL has received interest regularly till 31-03-2023 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSCCL.

#### 57. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a Government memo No.INC01 MG/10/2022 M III DATED 02.09.2022 and Go Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS & LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha



Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS & LR department from time to time. Further necessary tax Invoices have been raised on the SS & LR department for the survey stones supplied with mark up of 7% as per the GO.

#### **58. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.**

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the first year of operations 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's as of 31-03-2022. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

During the current year, 1,941,507.45 MT's of coal has been produced (Cumulative 1,964,407.45 MT's) and 1,420,268.44 MT's has been dispatched (Cumulative 1,420,355.79 MT's) leaving a closing stock of 544,051.66 MT's as of 31-03-2023. Further, an additional amount of Rs. 144.54 crores has been incurred on project intangible assets.

#### **59. Additional information**

##### **Particulars of consumption of stores & spares (Rs.in. Lakhs)**

Particulars	Figures as at the end of March 31, 2023		Figures as at the end of March 31, 2022	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	256	100.00	365	100.00
<b>Total</b>	<b>365</b>	<b>100.00</b>	<b>365</b>	<b>100.00</b>

#### **60. Non adoption of previous year financials at the general meeting by the Members**

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023 and 22<sup>nd</sup> November 2023 respectively, due to non completion of supplementary audit by the Comptroller and Audit General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022, the board of directors of the company in their meeting held on 22<sup>nd</sup> November, 2023 approved the



financial statements for the ending 31<sup>st</sup> March, 2022. In view of this, the reported amounts as on 31<sup>st</sup> March, 2023 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.

#### 61. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to conform to the classification of the current year.
- All amounts have been reported in Rs. in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0.50 lakhs.

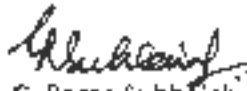
For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565


  
A.V. Raghava Rao  
Partner  
Mem No 200578



for and on behalf of the board of directors

  
Sri Pravin Kumar  
Managing Director  
DIN:07106418

  
G. Rama Subbaiah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager-F&A



Place: Vijayawada

Date: January 20, 2025

UDIN: 25200578BMHVUC8938



**INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of**  
**The Andhra Pradesh Mineral Development Corporation Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Qualified Opinion**

We were engaged to audit the accompanying Consolidated Ind AS financial statements of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (here in after referred to as "Consolidated financial statements").

In our opinion and best of our information and according to the explanations given to us, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid Consolidated financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, the profit and comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

- i} We draw attention to Note No 46 of the consolidated financial statements where in the Group has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2023 and further reasons as detailed in Note No 46, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below.





Sl.no	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL Suliari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of Impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Qualified Opinion (As stated in the report of standalone financial statements):

- ii) The Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has passed entries for Interest Income on Fixed Deposits, Interest Accrued on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income Tax of the erstwhile entity was recovered from the Holding Company's Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:



Sl.no	Name of the ledger	Note no	Classification	Rs in Lakhs	Dr/Cr
1	Demerger Adjustment	19	Other Financial liabilities(non-current)	67.19	Cr
2	Int. on FDR's, BGs & Sweep (SBI) to Telangana	19	Other Financial liabilities(non-current)	18,300.24	Cr
3	APMDC Telangana Region Advance (Cr)	19	Other Financial liabilities(non current)	8,253.32	Cr
4	APMDC - TSMDC - Advances	9	Other Non-current Assets	2,189.97	Dr
5	Demerger Adj Acc of FD's & FD Kept for BG's	9	Other Non-current Assets	16,019.73	Dr
6	Fixed deposits (Above 365 Days)	6	Other Financial Assets (Non-Current)	76,045.23	Dr
7	Fixed Deposit kept for Bank Guarantee	6	Other Financial Assets (Non-Current)	1,229.11	Dr
8	Fixed Deposits - BG - Without Lien	6	Other Financial Assets (Non-Current)	11,952.48	Dr
9	Sweep Account (SBI, Khairatabad)	6	Other Financial Assets (Non-Current)	808.59	Dr
10	Interest Accrued on Fixed deposit	14	Other Financial Assets (Current)	3,259.67	Dr
11	Int. Accr. on FDR kept for BGs	14	Other Financial Assets (Current)	38.71	Dr
12	Int. Accr. on FDR kept for BG - Without Lien	14	Other Financial Assets (Current)	619.31	Dr
13	Int. accr on sweep a/c (SBI)	14	Other Financial Assets (Current)	547.73	Dr
14	Int. on Fixed Deposits	28	Other Income	3714.24	Cr
15	Int. on FD kept for BG	28	Other Income	392.18	Cr
16	Interest on FDR BG - Without Lien	28	Other Income	448.05	Cr
17	Int. on Sweep account SBI Khairatabad	28	Other Income	38.54	Cr
18	Vijayawada (bank)	6	Cash and cash equivalents	198.03	Dr

iii) The Holding company is required to disclose contingent liabilities as per Ind AS 37. The best estimate of amount of contingent liabilities created and disclosed in notes on accounts as at March 31, 2023.



- iv) The following Ledger balances in holding company as on March 31, 2023 are subject to receipt of utilisation certificates and confirmation from the respective party/ statutory authority:

Name of the Ledger	Party/ Authority Name	Balance as at March 31, 2023 Rs. In lakhs
Adv.to EE Panc.Raj Dep(RPT)	EE Panchayat Raj, Rajampet	53.90
Deposit with RDO Rajampet (Rehabilitation)	Regional District Officer, Cuddapah	86.65
Deposit with District Collector (Rehabilitation)	District Collector, Cuddapah	18,971.61
Deposit With Sub Treasury (Rajampet)	Regional District Officer, Cuddapah	238.50

Due to non-availability of utilisation certificates and confirmation from the respective parties/ statutory authorities, we are unable to ascertain whether the above balances have been utilised or lying unutilized as advance/ deposit. In the absence of sufficient and appropriate audit evidence, we are unable to comment upon the resultant impact on the Consolidated financial statements.

- v) In respect of property, plant and equipment of holding company, Fixed Asset Register providing details such as Identification Number, Location of the Assets are not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the financial statements.
- vi) The Holding company has balances in Security Deposit payable to Contractors, Security Deposit from Suppliers, Security Deposit from Others, Deposit from Customer, EMD payable, Stale Cheques Payable, Exp of Entep. Social Resp. Payable, Non-Current Deposits, Penalty Suspense, Deposit for Stamp Duty Payable and Deposit for Court Fees payable amounting to Rs. 185.57 Crores (Cr Balance). Party wise Ledger has not been maintained further, confirmations from Parties are also not available. Considering non reconciliation and non-confirmation and further taking into consideration various disputes with vendors & non availability of records, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.
- vii) The Holding Company has balances in Sales Tax Payables for Rs. 1.22 crores (credit), APVAT Payable of Rs 1.32 Crores (Credit) and Deposit with Sales Tax Department of Rs. Rs. 5.90 Crores (Debit) The documents pertaining to the Long Pending Tax cases are not available due to which we are unable to ascertain the correctness of the balances in the respective



ledgers and the resultant impact on the consolidated financial statements. Further, the contingent liability, if any on the above cases is also not ascertainable.

- viii) The Holding Company has balances in Income Tax Assets amounting to Rs. 65.76 Crores which are pending on account of various disputes at different forums. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Further, the Holding Company has been generally filing Income Tax Returns based on Provisional Financials without fully complying with the provisions of Income Tax Act. Any consequential effect on account of actual tax liability based on the audited financial statements with effect from FY 2014-15 on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements
- ix) The Holding company has Trade Receivables balance amounting to Rs. 398.82 Crores and advance from customers amounting to Rs.296.01 crores. Balance confirmations from Parties under Trade Receivables amounting to Rs. 398.82 Crores and Advance from Customers amounting to Rs. 296.01 crores have not been obtained. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements. Further, corporation has no regular system to maintain ageing analysis of trade receivables
- x) We were informed that the balance in the following ledgers of holding company are pending final settlement on account of pending court proceedings: -

Sl.no	Name of the ledger	Amount	Dr/Cr
1	Sri M.Ramakrishna Reddy	90,82,476	Dr
2	Sri B.Kumaraswamy Reddy	51,55,150	Cr
3	M/s V.L.C.S.C.K.C-JV	5,42,81,229	Dr
4	Sri R.V Ramana	1,13,403	Dr

The up to date status of the court proceedings are not available on record. Further, the balance in the respective ledgers are subject to confirmation and reconciliation on account of the disputes between the parties and the Holding company. Considering non-reconciliation and non-confirmation and taking into further consideration, various disputes with parties, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.

- xi) The Holding Company has released an interest free unsecured loan of Rs. 100 Crores during Financial Year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly installments starting from Financial Year 2018-19 and ending in Financial Year 2021-22. M/s APSFL has not repaid the installments due in Financial Year 2018-19, Financial Year 2019-20, Financial Year 2020-21 and Financial year 2021-22 as per terms of the agreement. Further installments have also not been repaid till date. Further, the latest financials of APSFL are not available. In the absence of availability of audited financial statements from Financial Year 2017-18 and subsequent years and





other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

- xii) The Holding Company has released unsecured loan of Rs. 200 Crores to M/s Machilipatnam Urban Development Authority("MUDA") on 01/11/2018 bearing interest at 8% per annum and repayable in 45 days. Though the due date for repayment is 15<sup>th</sup> December 2018, the said loan has not been repaid as on date also. In the absence of any financial information/supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.
- xiii) Balance in Suspense Account of holding company amounting to Rs. 1.80 Crores has been classified under Other Current Liabilities as the details pertaining to the transactions in the account are not available. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
- xiv) During the year company has paid an amount of Rs.22.91 Crores against outstanding balances pertaining to sand operations and which was carried from the previous year financials on which we have issued a disclaimer of opinion.

#### **Disclaimer of opinion for the previous year**

We draw attention to our audit report dated 22'November 2023.wherein we issued a disclaimer of opinion on the financial statements for the year ended 2021-2022. This disclaimer was due to unavailability of records pertaining to the sand operations undertaken by the company previously and same have been discontinued in the previous year. Further, there are no transactions in the sand operations except payment of an amount of Rs 22.91 Crores against outstanding payables.

#### **Emphasis of matter Paragraph**

We draw attention to Note 58 of the financial statements, which describes the commencement of the supply of survey stones by the Company to the Survey, Settlement, and Land Records (SSLR) Department, Andhra Pradesh, during the year under review, as per the minutes of the meeting held on 13-05-2021. However, there is no proper Memorandum of Understanding (MoU) in place between APMDC and the SSLR Department for the supply of survey stones.

To meet the supply requirements, the Company has initiated setting up of four Granite Cutting, Polishing and Engraving Units in Prakasam, Chittoor, Srikakulam and Anantapuram Districts on turnkey Basis in Andhra Pradesh. During the period, the Prakasam District plant has commenced its operations and operated through an O&M. However, there is no progress in respect of other units

Our opinion is not modified in respect of this matter.





**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, are not applicable to the Holding Company as it is an unlisted company.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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



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

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to conduct an audit of the Group's Consolidated financial statements in accordance with Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated financial statements.

We are independent of the Group in accordance with the Code of Ethics and provisions of the Act that are relevant to our audit of the Consolidated financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

#### **Other Matters**

The financial statements of the Holding Company for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021 respectively are not adopted by the members of the Holding company at the adjourned Annual General Meeting held on 17<sup>th</sup> September, 2022, 16<sup>th</sup> November 2022, 22<sup>nd</sup> August, 2023 and 10<sup>th</sup> October 2023 respectively due to non-completion of supplementary audit by the Comptroller and Auditor General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Auditor General of India (C&AG), for the year ended March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021, the Board of Directors of the Holding Company in their meeting held on 22<sup>nd</sup> November 2023 approved the financial statements for the year ended March 31, 2022.

Consequently, we have conducted our audit for the year ended March 31, 2023 considering the opening balances based on the financial statements as approved by the Board and audited by previous auditors for the year ended, March 31, 2020, March 31, 2019 and March 31, 2018 respectively and audited by us for the financial year ended 2021, and March 31, 2022. The reported amounts as on March 31, 2023 are subject to final comments of the Comptroller and Auditor General of India (C&AG) for the year ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021 and March 31, 2022 subsequent approval at adjourned Annual General Meetings.

We did not audit the financial statements/financial information of one Joint Venture. The consolidated financial statements include the Group's share of Net Profit of Rs 272 lakhs for the year ended March 31, 2023 in respect of the one joint venture. This financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture.



and our report in so far as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters

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

1 As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter as described in the basis for our Qualified opinion paragraph.
- b) Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on future cashflows of the Company.
- f) As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 is not applicable as the Holding Company is a Government Company.
- g) The Modification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the Holding company.





- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements- Refer Note 37 to the Consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the group to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - b. The Management has represented, that, to the best of its knowledge and belief, on funds have been received by the group from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.
  - v. One of the joint venture company AP Granites (Midwest) pvt ltd has declared dividend during the year. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.



2. We are enclosing our report in terms of Section 143 (5) of the Act, on the directions and sub-directions issued by the Comptroller and Auditor General of India on the basis of such checks of the books and records of the Holding Company as we considered appropriate and according to the information and explanations given to us, in the Annexure- B.

Place: Vijayawada

Date: 20<sup>th</sup> January, 2025



For Chowdary & Rao

Chartered Accountants

FRN 000656S

A.V. Raghava Rao

Partner

M.No:200578

UDIN: 25200578 BMH VUD8898



### **Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2023)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together refer to as "the group"), its associates and jointly controlled entities as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the holding company included in the group are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Companies/entities, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

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

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

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

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



### **Basis for Qualified Opinion**

According to the information and explanations given to us, the holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the holding Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2023

The following material weaknesses/ limitations have been identified in the operating effectiveness of the Company's internal financial control over financial reporting:

- a. The system of internal financial controls over financial reporting with regard to the holding Company were not made available to enable us to determine if the holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023.
- b. The holding Company has an internal audit system, but in our opinion which is inadequate to commensurate with the size and nature of its business.
- c. The holding company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis and reconciliation of unmatched Receivables and Payables. The ERP system was unable to generate detailed reports of respective balances, including opening, current year transaction, and closing balances, along with their ageing analysis.
- d. There is no documented policy/ laid down procedures for conducting physical verification of Property, Plant and Equipment
- e. The holding company does not have system of timely posting of entries in the ERP software. Further, the company does not have an integrated system which has led to accounting lapses such as Non-Reconciliation of Inter branch transactions.
- f. The Holding company does not have adequate internal control system in place for monitoring the interest on the fixed deposits and timely renewal of the fixed deposits.
- g. It was observed that the calculation of depreciation and amortization for Property, Plant, and Equipment (PPE) and intangible assets is not automated through the Enterprise Resource Planning (ERP) system. Instead, these calculations are performed manually by the finance team.
- h. It was observed that the opening balances of financial data were maintained in one domain division of the Enterprise Resource Planning (ERP) system, while subsequent entries were recorded in a different division. This inconsistency, attributed to inadequate internal controls, poses a risk to the integrity and accuracy of financial records.



- i. During the course of our audit, we observed that the company has deposits with various authorities. However, the company is not maintaining a deposit/advance register that records details such as the parties to whom deposits/advances have been made, the purpose of such deposits/advances, and other relevant information. Additionally, utilization certificates for such deposits/advances have not been obtained. This deficiency in internal controls adversely affects the company's ability to present a true and fair view of its financial position, as required by the applicable financial reporting framework. We recommend the holding company implement robust processes to maintain detailed records of all deposits and advances, along with obtaining and reviewing utilization certificates to strengthen internal financial controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company as at March 31, 2023 and these, material weakness has affected our opinion on the consolidated financial statements of the Holding Company and we have issued a Qualified opinion on the Consolidated financial statements.

Place: Vijayawada

Date: 20<sup>th</sup> January 2025

For **Chowdary & Rao**  
**Chartered Accountants**  
FRN 0006565  
  
CA. A.V. Raghava Rao  
Partner  
M. No: 200578  
UDIN: 25200578BMHV08988



# ANNEXURE-B to the Independent Auditors' Report

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the Implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics. However, many areas have not been covered under the ERP such as Accounting of Inventory, Depreciation, etc. which are manually maintained. Based on Manual Stores Consumption Reports, consolidated entries are posted in to the IT System periodicaly. However, there are no implications of processing of Inventory consumption accounting outside IT system on the integrity of accounts subject to matters specified in Basis for Qualified opinion paragraph.
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations give to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilised, returned, assets created	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, there are no works executed with the funds of





	up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realized on these works, with full quantitative details may be detailed.	Central or State government(s)/ other user department(s) or their agencies.
2.	<p>Where Grants are received from Central or State government(s)/ other user department(s) or their agencies,</p> <p>a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;</p> <p>b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;</p>	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease)	There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, The Holding Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but</p>	The holding Company has been maintaining Public Deposit Account vide account No: 11000093601



	<p>claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been given by any other Government or agencies except the State Government during the year.</p> <p>c) During the year holding company has utilized additional limit from the existing loans.</p> <p>d) There are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-03-2023.</p>
6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, there are no funds which have been raised by the holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/	The Management of the holding company has physically verified the inventory and stores and spares in FY 2022-23 and shortage / excess found and deterioration / obsolescence in the quality are properly taken into account and the




	obsolescence in the quality which may result into overvaluation of stock?	procedures followed by the company in this regard are satisfactory.
9.	Whether the cost incurred on abandoned projects has been written off?	According to the information and explanations given to us, no projects have been abandoned by the holding company during the year.
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the holding company, the holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalised and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion paragraph, we are unable to comment upon the same.
12	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.
13	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	The holding company has submitted modified Mining Plan in respect of Mangampeta Mine in FY 2018-19 and the same has been approved by Deputy Director of Mines and Geology, Kadapa.
14	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Our audit for FY 2022-23 started in FY 2024-25. Accordingly, we are unable to comment upon the same as we have not visited the mine during the Financial Year 2022-23.
15	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified.	According to the explanations given to us and on perusal of mining plans submitted to us, the holding company has not disbanded and discontinued any mines during the year covered under our audit.



16	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	The holding Company has provided for Provision for Mine Closure Cost in line with Accounting Policy referred to in Note 2(p) of the consolidated financial statements.
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For Chowdary & Rao  
Chartered Accountants  
FRN 000656S

  
CA. A.V. Raghava Rao  
Partner



Place: Vijayawada  
Date: 20<sup>th</sup> January 2025

Mem No: 200578

UDIN: 25200578 BMHVUD8098

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	8,173	5,687
Right of-use assets	3	102	42
Capital work in progress	3	911	1,144
Other intangible assets	3	8,082	8,760
Intangible assets under development	3	1,54,777	1,40,102
Financial assets			
Investments	4	860	698
Loans	5	574	678
Other financial assets	6	98,082	91,104
Deferred tax assets (net)	7	-	2,423
Non-current tax assets	8	8,854	8,854
Other non-current assets	9	56,042	42,049
<b>Total non-current assets</b>		<b>3,36,460</b>	<b>3,01,071</b>
Current assets			
Inventories	10	20,794	8,786
Financial assets			
Trade receivables	11	37,477	26,721
Cash and cash equivalents	12	40,426	13,734
Other bank balances	12	63,705	33,105
Loans	13	30,131	30,065
Other financial assets	14	5,043	3,119
Other current assets	15	15,813	6,860
<b>Total current assets</b>		<b>2,13,417</b>	<b>1,27,390</b>
<b>TOTAL ASSETS</b>		<b>5,49,878</b>	<b>4,28,461</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	16	631	631
Other equity	17	3,22,812	2,64,008
<b>Total equity</b>		<b>3,23,443</b>	<b>2,64,639</b>
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	49,035	45,152
Other financial liabilities	19	36,547	33,978
Provisions	20	10,012	9,137
Deferred tax liability (net)	7	2,155	-
Other non-current liabilities	21	254	254
<b>Total non-current liabilities</b>		<b>98,004</b>	<b>88,522</b>
Current liabilities			
Financial liabilities			
Borrowings	22	10,800	5,400
Trade payables	23	18,468	11,324
Other financial liabilities	24	37,937	38,291
Other current liabilities	25	45,130	5,990
Current tax liabilities	26	16,097	9,296
<b>Total current liabilities</b>		<b>1,28,431</b>	<b>70,303</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,49,878</b>	<b>4,28,461</b>

Notes to Financial statements

1-61

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No. 0006565

A.V. Raghava Rao  
Partner  
Mem No. 200478



UDIN: 25900578 BMHV408898

Sri Pravin Kumar  
Managing Director  
DIN: 07106418

G. Rama Subbaiah  
Director  
DIN: 10915409

V.V.V. Phani Kumar  
General Manager - F&A



Place : Vijayawada

Date : January 20, 2025



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated statement of profit and loss for the year ended March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	27	2,10,191	1,15,534
Other income	28	10,704	4,627
<b>Total income</b>		<b>2,20,895</b>	<b>1,20,161</b>
<b>Expenses</b>			
Change in inventories of finished goods	29	(11,990)	8,445
Employee benefits expense	30	4,600	3,957
Finance costs	31	7,733	1,738
Depreciation and amortization expense	32	3,496	566
Power and fuel	33	948	980
Excavation & transport charges	34	76,771	27,686
Other expenses	35	56,203	35,831
<b>Total expenses</b>		<b>1,37,260</b>	<b>79,203</b>
<b>Profit before exceptional items and tax</b>		<b>83,636</b>	<b>40,958</b>
Add: Exceptional items (Net)			
<b>Profit before tax</b>		<b>83,636</b>	<b>40,958</b>
Share of Profit/(loss) of joint venture		270	279
Less: Tax expense/(benefit)			
Current tax	36	20,202	10,994
Deferred tax	36	4,578	191
<b>Total tax expense/ (benefit)</b>		<b>24,780</b>	<b>11,185</b>
<b>Profit for the year from continuing operations</b>		<b>59,126</b>	<b>30,051</b>
Profit from discontinuing operations		-	-
Less: Tax expense of discontinuing operations		-	-
<b>Net Profit from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit after tax for the year (A)</b>		<b>59,126</b>	<b>30,051</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		(324)	(140)
Items that will not be reclassified to profit or loss of JV		2	(2)
Income tax on above items		-	-
<b>Total other comprehensive income for the year (B)</b>		<b>(322)</b>	<b>(142)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>58,804</b>	<b>29,909</b>
<b>Earnings per equity share (In Rs) -</b>			
<b>(Nominal value of share Rs. 1000/-)</b>			
- Basic	42	93,758.22	47,653.81
- Diluted		93,758.22	47,653.81
<b>Notes to financial statements</b>	1-61		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006565

A.V. Raghava Rao  
Partner  
Mem No 200578




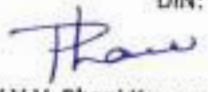
UDIN: 25200578 BMHVUD8898

Place: Vijayawada

Date: January 20, 2025

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaiah  
Director  
DIN: 10915409

  
V.V.M. Phani Kumar  
General Manager - FAA



The Andhra Pradesh Muzesi Development Corporation

Statement of changes in equity for the year ended March 31, 2023

A. Equity share capital

Particulars	No of Shares	Disposals/ adjustments/ transfer
Balance as at April 1, 2021	63,062	63,062
Changes in equity share capital during 2021-22	-	-
Balance as at April 1, 2022	63,062	63,062
Changes in equity share capital during 2022-23	-	-
Balance as at March 31, 2023	63,062	63,062

B. Other equity

Other equity									(Rs. in Lakhs)
Particulars	Reserves and surplus			Other comprehensive income					
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actual gains/losses Reserve	Deferred tax on OCI items	Total	
Balance as at April 01, 2021	110	597	17,247	2,16,106	(57)	125	(30)	2,34,098	
Profit for the year	-	-	-	30,051	-	-	-	30,051	
Other comprehensive income for the year	-	-	-	-	-	(142)	-	(142)	
Total comprehensive income for the year	-	-	-	30,051	-	(142)	-	29,909	
Transfer to reserve for bad and doubtful debts	-	934	-	(934)	-	-	-	-	
Balance as at March 31, 2022	110	1,531	17,247	2,45,223	(57)	(17)	(30)	2,64,007	
Profit for the year	-	-	-	59,126	-	-	-	59,126	
Other comprehensive income for the year	-	-	-	-	-	(322)	-	(322)	
Total comprehensive income for the year	-	-	-	59,126	-	(322)	-	58,804	
Transfer to reserve for bad and doubtful debts	-	794	-	(794)	-	-	-	-	
Balance as at March 31, 2023	110	2,325	17,247	3,03,555	(57)	(339)	(30)	3,22,811	

(Rs. in Lakhs)

As per our report of even date

For Chartered & Rao  
Chartered Accountants  
Firm Regn No: 0005565

A. V. Raghava Rao  
Partner  
Mem No. 200578

Place : Vijayawada  
Date : January 20, 2025

For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
DIN: 07126418

G. Ram Subbalah  
Director  
DIN: 10915409  
V.V.V. Phani Kumar  
General Manager - F&A

UOSN: 25200578BMHVHD8898

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated cash flow statement for the year ended March 31, 2023  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	83,906	41,236
Adjustments for:		
Interest expense	7,031	1,607
Unwinding of discount on provisions	703	131
Interest income	(10,354)	(4,226)
Depreciation and amortization expense	3,496	565
Dividend income	-	-
Provision for bad & doubtful advances	3,146	-
Liabilities no longer required written back	(54)	(262)
Operating profit before working capital changes	87,871	39,052
Adjustments for:		
Increase/(decrease) in trade payables	7,144	620
Increase/(decrease) in provisions	(3,241)	7,987
Increase/(decrease) in other financial liabilities	2,343	27,420
Increase/(decrease) in other liabilities	39,140	(8,900)
Decrease/(increase) in trade receivables	(10,756)	(16,294)
Decrease/(increase) in inventories	(12,008)	8,507
Decrease/(increase) in other assets	(23,106)	269
Decrease/(increase) in other financial assets	(8,937)	(5,264)
Cash generated from operations	78,452	53,298
Direct taxes paid (net of refunds)	13,401	8,145
Net cash flow from/(used in) operating activities (A)	65,051	45,153
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWIP and capital advances	(20,310)	(64,590)
Movements in other bank balance	(30,600)	(32,078)
Loans to staff	38	(138)
Interest received	10,354	4,226
Dividend income	-	-
Proceeds from sale of NSC bonds	36	-
Net cash flow from/(used in) investing activities (B)	(40,482)	(92,581)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	9,283	50,552
Interest paid	(7,031)	(1,607)
Payment of lease liability	(129)	(114)
Net cash flow from/(used in) financing activities (C)	2,123	48,831
Net increase/(decrease) in cash and cash equivalents (A+B+C)	26,692	1,404
Cash and cash equivalents at the beginning of the year	13,734	12,330
Cash and cash equivalents at the end of the year	40,426	13,734
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	0
Balances with scheduled banks		
With current accounts	40,425	13,734
Total cash and cash equivalents (Note 12)	40,426	13,734

The accompanying notes are an integral part of these consolidated financial statements

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind As - 7

As per our report of even date

For Chowdary & Rao  
Chartered Accountants  
Firm Regn No: 0006563

A.V. Raghava Rao  
Partner  
Mem No. 200578




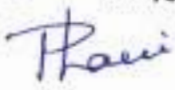
UDIN: 25200578BMHVU08898

Place : Vijayawada  
Date : January 20, 2025

For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaiah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A



## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- IV. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.





Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

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





### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or

• It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.



The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Mining property assets (incl. decommissioning cost) is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.



Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost. They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining rights which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.





Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 12,00,000 MTs from financial year 2022-23 onward and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

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

**Other long-term employee benefit obligations**

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

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.





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

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.



Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

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

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

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

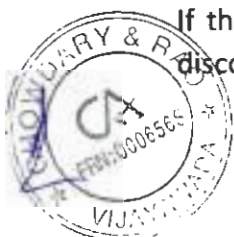
Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate



pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

In the case of coal, mining plan is prepared for entire life of the mine and provision has to be made for shortfall in the quantity of overburden not removed as per the standard stripping ratio. Excess quantity of overburden removed over and above the standard stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.



### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.





**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair





value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **x. Financial instruments**

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

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.



**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

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

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- ♦ it has been incurred principally for the purpose of repurchasing it in the near term, or
- ♦ on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- ♦ it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is



classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group. The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Stripping cost**

The stripping cost incurred during the production phase of a surface mine is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the entity,
- The entity can identify the component of an ore body for which access has been improved, and
- The costs relating to the improved access to that component can be measured reliably.

**ac. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



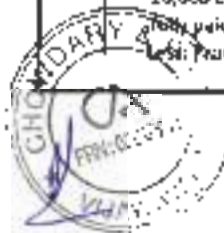
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The Andhra Pradesh Mineral Development Corporation Limited										
Property, Plant and Equipment, Capital work in progress, Intangible assets under development, right of use asset for the year ended March 31, 2023										
[Rs. in lakhs]										
Particulars	Cost as at April 1, 2022	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the year	Disposals/Adjustments/Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2023	Net block as at March 31, 2022
Land	4,438	1,098	-	5,536	-	-	-	-	5,536	4,436
Buildings & Pucca Construction	437	-	-	437	252	18	-	270	165	185
Mining Equipment	712	10	-	722	557	30	-	587	135	155
Furniture & Fixtures	198	4	-	201	148	16	-	164	47	59
Office Equipment	247	12	-	259	215	13	-	228	31	32
Data Processing Equipment	259	39	-	297	246	44	-	290	59	65
Vehicles	223	153	-	377	154	40	-	194	133	70
Tanks & Huts	47	30	-	138	31	76	-	57	81	17
Plant & Machinery	1,870	1,607	-	3,477	1,219	287	-	1,506	1,971	652
Leasehold building	255	-	-	255	241	1	-	242	13	14
Total	8,886	2,962	-	11,848	2,999	477	-	3,476	8,173	5,887
Less: Depreciation capitalised during the year	-	-	-	-	-	-	-	-	-	-
Total	8,886	2,962	-	11,848	2,999	476	-	3,476	8,173	5,887
Previous year - 2021-22	10,557	1,843	3,724	8,586	4,037	409	1,447	2,999	5,687	6,590
LEASED ASSETS - RIGHT OF USE										
Right of use asset	333	185	245	274	250	119	238	171	102	42
Total	333	185	245	274	250	119	238	171	102	42
Previous year - 2021-22	333	-	-	333	189	301	-	290	42	144
Other Intangible Assets										
Class Of Asset	Cost as at April 1, 2022	Additions	Disposals/adjustments/transfer	Cost as at March 31, 2023	Accumulated Depreciation as at April 1, 2022	Depreciation For the year	Disposals/Adjustments/Transfer	Accumulated Depreciation as at March 31, 2023	Net block as at March 31, 2023	Net block as at March 31, 2022
Computer Software	24	0	-	24	51	1	-	32	2	3
Mining Property	8,345	-	-	8,345	68	176	-	264	8,081	8,757
Total	8,372	0	-	8,372	119	277	-	296	8,082	8,760
Previous year - 2021-22	499	7,873	-	8,373	85	34	-	119	8,260	414
Exploration intangible assets under development	1,01,131	17,395	-	1,18,526	29	2,724	-	2,753	1,15,773	1,14,102
Previous year - 2021-22	84,099	56,032	-	1,40,131	-	39	-	-	1,40,102	84,099
Capital Work in Progress	1,144	-	230	914	-	-	-	-	914	1,144
Previous year - 2021-22	23	1,144	23	1,144	-	-	-	-	1,144	23



4	Non-current Investments	As at	As at
		March 31, 2023	March 31, 2022
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s. APMDCL - SCCL sullivan coal company limited		
	5,100 equity shares (March 31, 2022: 5,100) of Rs. 10/- each		
	Fully paid up	5	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s. Nuagac coal company limited		
	3,000 equity shares (March 31, 2021: 3,000) of Rs. 100/- each		
	Fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s. Damodhara Minerals (P) Ltd		
	11,921 equity shares of Rs. 10/- each fully paid up	2	2
	Less: Provision made for diminution in the value of shares	(2)	(2)
	iii. M/s. Ongole Iron ore mining company private limited		
	56,100 equity shares (March 31, 2021: 56,100) of Rs. 10/- each		
	Fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	v. M/s. Aswani mineral development private limited		
	65,000 equity shares (March 31, 2021: 65,000) of Rs. 10/- each		
	Fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	v. M/s. SRAP mineral private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vi. M/s. Orham mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	vii. M/s. Sia mineral exports private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	vi. M/s. Margasree granites private limited		
	1,30,000 equity shares (March 31, 2021: 1,30,000) of Rs. 10/- each		
	Fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s. Ongole minerals exports private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi. M/s. R.P. granite private limited		
	3,25,000 equity shares (March 31, 2021: 3,25,000) of Rs. 10/- each		
	Fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s. A.P. coastal sands & metals private limited		
	13,000 equity shares (March 31, 2021: 13,000) of Rs. 10/- each		
	Fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s. Andhra Pradesh (P) mining private limited		
	28,600 equity shares (March 31, 2021: 28,600) of Rs. 10/- each		
	Fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)





Investment in Joint Ventures		
xiv. M/s A. P. granites (midwest) private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs.10/- each fully paid up	860	898
xv. M/s Alliance A.P. black galaxy granites private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xvi. M/s Palavared granites private limited 11,00,000 equity shares (March 31, 2021: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xvii. M/s. Simpa A.P. barytes beneficiation private limited 1,320 equity shares (March 31, 2021: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xviii. M/s. Andhra baryte corporation private limited 8,52,500 equity shares (March 31, 2021: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xix. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares (March 31, 2021: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xx. M/s. Trimes baryte private limited 4,50,000 equity shares (March 31, 2021: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xxi. M/s V.V. minerals private limited 1,100 equity shares (March 31, 2021: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xxii. M/s Andhra phosphate (P) Ltd. 1,110 equity shares of Rs.1,000/- each fully paid up Less: Provision made for diminution in the value of shares	11 (11)	11 (11)
Investments measured at amortised cost		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	860	698

Aggregate amount of quoted investments - Market value

-

Aggregate amount of quoted investments - Book value

-

Aggregate amount of unquoted investments

110

Aggregate amount of impairment

576

Aggregate Provision made for doubtful investments

71

5

Loans (Non-current)		As at March 31, 2023	As at March 31, 2022
Deposits with others			
Unsecured, considered good		236	240
Unsecured, considered doubtful		92	93
Less: Provision for doubtful debts		(91)	(91)
Loans and advances to employees			
Unsecured, considered good		138	438
Unsecured, considered doubtful		9	9
Less: Allowance for bad and doubtful debts		(9)	(9)
Total		374	678



6	Other financial assets (non-current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good - Refer note 49		
	Balance in current accounts (Fixed)	198	185
	Long term bank deposits	97,075	90,132
	Sweep accounts	839	787
	Unsecured, considered doubtful		
	Balance in post office savings account	4	80
	Less: Provision for doubtful portion	(4)	(80)
	<b>Total</b>	<b>98,082</b>	<b>91,104</b>

7	Deferred tax asset (Net)	As at March 31, 2023	As at March 31, 2022
	Deferred tax asset		
	Property, plant & equipment		
	Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in payment basis		6
	Provision for decommissioning costs	2,472	2,299
	Provision for lease liability / assets	3	2
	Provision for bad & doubtful debts, investments & advances	2,819	2,037
	<b>Total deferred tax assets</b>	<b>5,294</b>	<b>4,345</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,879	1,897
	Investment	25	25
	Intangible Asset under development	5,545	
	<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
	<b>Net deferred tax asset</b>	<b>2,155</b>	<b>(3,423)</b>

8	Non-current tax assets	As at March 31, 2023	As at March 31, 2022
	Income Tax		
	Corporate tax receivable	8,854	8,854
	<b>Total</b>	<b>8,854</b>	<b>8,854</b>

9	Other non-current assets	As at March 31, 2023	As at March 31, 2022
	A) Capital advances		
	Unsecured, considered good	4,146	4,080
	Unsecured, considered doubtful	260	260
	Provision for doubtful advances	(260)	(260)
		<b>4,046</b>	<b>4,046</b>
	B) Advances other than capital advances		
	Unsecured, considered good	21,038	21,041
	Unsecured, considered doubtful	4,935	1,789
	Less: Provision for doubtful advances	(4,335)	(1,789)
		<b>21,638</b>	<b>21,041</b>
	C) Others - specified		
	Unsecured, considered good	28,978	16,491
	Unsecured, considered doubtful	1,988	1,988
	Less: Provision for doubtful advances	(1,988)	(1,988)
	Prepaid expenses	-	1
		<b>28,978</b>	<b>16,492</b>
	<b>Total</b>	<b>54,042</b>	<b>42,079</b>

10	Inventories	As at March 31, 2023	As at March 31, 2022
	Finished goods	20,708	8,719
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	93	15
	<b>Total</b>	<b>20,794</b>	<b>8,786</b>



11	Trade receivables (Current)	As at March 31, 2023	As at March 31, 2022
	Unsecured, considered good	37,760	25,601
	Unsecured, considered credit impaired	3,524	3,524
	Less: Impairment allowance for doubtful debts	(1,524)	(2,524)
	Unbilled Receivables	4,217	129
	<b>Total</b>	<b>37,877</b>	<b>26,730</b>
12	Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Cash and cash equivalents		
	Balances with banks:		
	in current accounts	40,425	13,734
	Cash on hand	1	0
	<b>(A)</b>	<b>40,426</b>	<b>13,734</b>
	Other bank balances		
	Fixed deposits with maturity > 3 months but < 12 months	63,705	33,105
	<b>(B)</b>	<b>63,705</b>	<b>33,105</b>
	<b>Total</b>	<b>1,04,131</b>	<b>46,839</b>
13	Loans (current)	As at March 31, 2023	As at March 31, 2022
	Loans to others		
	Secured, considered good		
	Vehicle loans to staff	22	14
	Unsecured, considered good		
	Loan to AP State Fibrenet Limited & Machilipatnam Urban Development Authority- Refer Note 50 & 51	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	109	51
	<b>Total</b>	<b>30,131</b>	<b>30,065</b>
14	Other financial assets (Current)	As at March 31, 2023	As at March 31, 2022
	Interest accrued on deposits		
	Unsecured, considered good	5,287	3,364
	Less: Provision for the doubtful portion	(744)	(244)
	<b>Total</b>	<b>5,043</b>	<b>3,119</b>
15	Other current assets	As at March 31, 2023	As at March 31, 2022
	A) Advances recoverable		
	Unsecured, considered good	1,664	709
	<b>(B) Others - specified</b>	<b>1,664</b>	<b>709</b>
	Unsecured, considered good		
	Balance with statutory authorities	12,688	5,339
	Prepaid expenses	1,340	510
	Others	150	293
	<b>Total</b>	<b>14,179</b>	<b>6,151</b>
	<b>Total</b>	<b>15,243</b>	<b>6,860</b>



16	Equity share capital	As at March 31, 2023	As at March 31, 2022
Authorized share capital:			
1,00,000 equity shares of Rs.1000/- each (March 31, 2019 - 1,00,000 equity shares of Rs.1000/- each)		1,000	1,000
		1,000	1,000
Issued, subscribed and fully paid up share Capital:			
63,062 equity shares of Rs.1000/- each fully paid up (March 31, 2019 - 63,062 equity shares of Rs.1000/- each)		631	631
		631	631

16.1 Additional notes

Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023	As at March 31, 2022
Shares outstanding at the beginning of the year	63,062	63,062
Shares issued during the year	-	-
Shares outstanding at the end of the year	63,062	63,062

16.2 Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs.1000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

16.3 The details of shares in the Company held by each shareholder holding more than 5% shares

Name of the share holder	As at March 31, 2023	As at March 31, 2022
Governor of the Andhra Pradesh represented by Assistant Secretary to Government (Injunct) Industries & Commerce department	61,059 (100%)	61,059 (100%)

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Other equity	As at March 31, 2023	As at March 31, 2022
Capital reserves		
Free trade equity shares for consideration other than cash allotted by:		
i. M/s Aswani mineral development private limited 45,000 equity shares(March 31, 2021 - 45,000) of Rs.10/- each Fully paid up Less: Provision made for diminution in the value of shares	7 (7)	7 (7)
ii. M/s SRAP mineral private limited 3,25,000 equity shares(March 31, 2021 - 3,25,000) of Rs.10/- each Fully paid up Less: Provision made for diminution in the value of shares	33 (33)	33 (33)
iii. Arham mineral exports private limited 1,30,000 equity shares(March 31, 2021 - 1,30,000) of Rs.10/- each Fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
iv. Isra mineral exports private limited 1,30,000 equity shares(March 31, 2021 - 1,30,000) of Rs.10/- each Fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
v. Margavee granites private limited 1,30,000 equity shares(March 31, 2021 - 1,30,000) of Rs.10/- each Fully paid up Less: Provision made for diminution in the value of shares	13 (13)	13 (13)
vi. Ongole mineral exports private limited 1,25,000 equity shares(March 31, 2021 - 1,25,000) of Rs.10/- each Fully paid up Less: Provision made for diminution in the value of shares	33 (33)	33 (33)



vi. RLP granites private limited 3,25,000 equity shares(March 31, 2021: 3,25,000) of Rs. 10/- each fully paid up	33 (33)	33 (33)
Less: Provision made for diminution in the value of shares		
vii. M/s.A.P.granites (Midwest) private limited 11,00,000 equity shares(March 31, 2021: 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
ix. M/s. Alliance A.P. black galaxy granites private limited 11,00,000 equity shares(March 31, 2021: 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
x. M/s.Pallovared granites private limited 1,10,000 equity shares(March 31, 2021: 1,10,000) of Rs.100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xi. M/s. A.P. coastal sands & metals private limited. 13,000 equity shares(March 31, 2021: 13,000) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xii. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2021: 56,100) of Rs.10/- each fully paid up	6	6
Less: Provision made for diminution in the value of shares	(6)	(6)
xiii. M/s Gunpet AP barytes beneficiation private limited 1,320 equity shares(March 31, 2021: 1,320) of Rs.10/- each fully paid up	0	0
Less: Provision made for diminution in the value of shares	(0)	(0)
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2021: 8,52,500) of Rs.10/- each fully paid up	85	85
Less: Provision made for diminution in the value of shares	(85)	(85)
xv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2021: 6,850) of Rs.10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xvi. M/s.Trimax baryte private limited 4,50,000 equity shares(March 31, 2021: 4,50,000) of Rs.10/- each fully paid up	45	45
Less: Provision made for diminution in the value of shares	(45)	(45)
xvii. M/s.V.V. minerals private limited 1,100 equity shares(March 31, 2021: 1,100) of Rs.100/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xviii. M/s. Damodhara Minerals (P) Ltd 18,921 equity shares of Rs.10/- each fully Paid up	2	2
Less: Provision made for diminution in the value of shares	(2)	(2)
	110	110
Other comprehensive income		
Opening balance	(104)	39
Other comprehensive income for the year	(322)	(142)
Add/(Less): Transferred from/(to) retained earnings		
Closing balance	(426)	(104)
Reserve for bad and doubtful debts		
Opening balance	(53)	597
Add/(Less): Transferred from to profit and loss account	794	934
Closing balance	2,325	1,531
General reserve		
Opening balance	17,216	17,216
Closing balance	17,216	17,216







23	Trade payables (Current)	As at March 31, 2023	As at March 31, 2022
	Trade payables		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	18,468	11,324
	Total	18,468	11,324

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.

Particulars	As at March 31, 2023	As at March 31, 2022
a) Principal amount and interest due thereon	-	-
b) Interest paid in terms of section 16 of MSMED Act	-	-
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
d) Interest accrued and remaining unpaid at the end of the year	-	-
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

24	Other Financial liabilities (Current)	As at March 31, 2023	As at March 31, 2022
	Salaries & other benefits payable	170	718
	Earnest money and security deposits from customers	21,271	6,258
	Other payables	16,546	31,814
	Total	37,987	38,790

25	Other current liabilities	As at March 31, 2023	As at March 31, 2022
	Advance from customers	29,601	1,192
	Statutory liabilities	15,349	4,671
	Unclaimed receipts/suspense	180	176
	Total	45,130	5,990

26	Current tax liabilities	As at March 31, 2023	As at March 31, 2022
	Provision for income tax	16,097	9,296
	Total	16,097	9,296



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2023**  
All amounts are in Rs Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2023	For the year ended March 31, 2022
	Sale of products	1,98,308	92,857
	Sale of services		
	Agency services including transportation		17,220
	Revenue from sale of survey stories	8,189	531
	Others	3,694	4,976
	<b>Total</b>	<b>2,10,191</b>	<b>1,15,534</b>

28	Other Income	For the year ended March 31, 2023	For the year ended March 31, 2022
	Interest Income		
	Bank deposits	8,386	3,809
	Loans	1	4
	Others	1,947	413
	Other non operating income		
	Rent receipts	8	6
	Forfeiture of security deposit	230	-
	Sale of tender documents	11	65
	Interest on delay in payment of minimum consideration	20	-
	Dividend from M/S AP Granites(Mid west)P Ltd	-	-
	Liabilities no longer required written back	54	262
	Penalties on buyers and millers	-	58
	Other miscellaneous Income	48	9
	<b>Total</b>	<b>10,704</b>	<b>4,627</b>

29	Changes in Inventories of finished goods	For the year ended March 31, 2023	For the year ended March 31, 2022
	a) Opening stock of finished goods	8,719	17,164
		8,719	17,164
	b) Closing stock of finished goods	20,708	8,719
		20,708	8,719
	<b>Changes in Inventories of finished goods</b>	<b>(11,990)</b>	<b>8,445</b>

30	Employee benefit expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
	Salaries and wages	3,795	3,070
	Contribution to provident fund and other funds	316	507
	Staff welfare expenses	489	380
	<b>Total</b>	<b>4,600</b>	<b>3,957</b>

31	Finance costs	For the year ended March 31, 2023	For the year ended March 31, 2022
	Unwinding of discount on provision	707	131
	Interest	7,031	1,607
	<b>Total</b>	<b>7,739</b>	<b>1,738</b>



32	<b>Depreciation and amortization expense</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Depreciation of property, plant and equipment	476	402
	Amortization of intangible assets	2,901	63
	Depreciation on right of use assets	119	101
	<b>Total</b>	<b>3,496</b>	<b>566</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Power and fuel	948	980
	<b>Total</b>	<b>948</b>	<b>980</b>
34	<b>Excavation &amp; transport charges</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Excavation & transport charges for run of mine	6,545	5,582
	Excavation & transport charges for overburden	37,658	22,103
	Excavation of coal & OB Removal	32,068	-
	<b>Total</b>	<b>76,271</b>	<b>27,686</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
	Rents	21	29
	Repairs & maintenance	256	365
	Insurance	9	10
	Rates and taxes		
	Royalty	16,111	8,702
	DMF	3,565	2,601
	AMET	322	173
	Cess	558	463
	Reserve price	6,343	-
	MPGSVA Exp	2,265	-
	Forest tax coal exp	810	-
	Other rates and taxes	587	2,242
	<b>Other expenses</b>		
	Operating expenses	128	36
	Expenses for agency services	-	11,749
	Purchase of survey stones	7,272	531
	Discount on sales	335	-
	Transport and wagon loading charges	591	577
	Selling expenses	687	520
	New project expenses	705	50
	Office & general expenses	2,493	1,304
	Payment to auditors (refer note no 35.1)	10	8
	Audit fee for other auditors	11	16
	Printing & stationery	77	144
	Corporate social responsibility expenses	2,054	787
	Remuneration to out sourced services	5,014	3,783
	Research & Development Expenses	-	32
	Provision for doubtful advances	3,146	-
	Data processing charges	67	107
	Rehabilitation expenses	2,238	320
	Donations	503	1,270
	Miscellaneous expenditure	27	10
	<b>Total</b>	<b>56,203</b>	<b>35,831</b>



35.1	Payment to Auditors	For the year ended March 31, 2023	For the year ended March 31, 2022
	Statutory audit fee	10	8
	<b>Total</b>	<b>10</b>	<b>8</b>

### 36 Income Tax

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Current tax:</b>		
Current income tax charge	20,202	10,994
<b>Total (a)</b>	<b>20,202</b>	<b>10,994</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	4,578	191
<b>Total (b)</b>	<b>4,578</b>	<b>191</b>
<b>Total</b>	<b>24,780</b>	<b>11,185</b>

### Other comprehensive Income

Items that will not be reclassified to P&L	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Remeasurement of defined benefit plan loss/gain</b>		
Gratuity	(139)	(76)
Leave encashment	(185)	(64)
<b>Total</b>	<b>(324)</b>	<b>(140)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit/(loss) before tax as per statement of profit and loss</b>	<b>83,636</b>	<b>40,958</b>
Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
computed tax expense	21,049	10,308
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	4,578	191
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	517	198
b) Change in depreciation	(3,049)	63
c) Provision for doubtful items	792	-
d) Other items	893	425
<b>Total income tax expense for the year</b>	<b>24,780</b>	<b>11,185</b>





**37. Contingent liabilities and commitments**

(To the extent not provided for)

All amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2023	As at 31.03.2022
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	9,808	9,808
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	5,04,18	4,570
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of landed measuring to 266.86 acres for patta land at Chlmakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed the amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	i) Aggregate till end of the previous year	73,469	64,939
	ii) For the year(net off payment)	12,296	8,530
vi	As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and reaming un paid amount. (Details given below)	2,262	576



<b>B</b>	Contingent liability on BG's: Bank guarantees furnished to different Departments on behalf of the company.	80,274	63,000
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders Issued by the Sales tax / Vat authorities for the years 1998-1999 to 2022-2023, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2003-04	Explosives	-	-	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	<b>469</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2022-23		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 3B. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	860	-	110
Loans	-	68	30,637	-	30,705
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	40,426	-	40,426
Other bank balances	-	-	63,705	-	63,705
Other financial assets	-	-	1,03,124	-	1,03,124
<b>Total</b>	-	68	2,76,229	-	2,76,297
<b>Financial liabilities:</b>					
Borrowings	-	-	-	59,835	59,835
Trade payables	-	-	-	18,468	18,468
Other financial liabilities	-	-	-	74,484	74,484
<b>Total</b>	-	-	-	1,52,787	1,52,787

As at 31st March, 2022

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	698	-	698
Loans	-	72	30,671	-	30,743
Trade receivables	-	-	26,721	-	26,721
Cash and Cash equivalents	-	-	13,734	-	13,734
Other Bank balances	-	-	33,105	-	33,105
Other Financial assets	-	-	94,224	-	94,224
<b>Total</b>	-	72	1,99,153	-	1,99,225



<b>Financial Liabilities:</b>				
Borrowings	-	-	50,552	50,552
Trade payables	-	-	11,324	11,324
Other financial liabilities	-	-	72,269	72,269
<b>Total</b>	-	-	<b>1,34,146</b>	<b>1,34,146</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2022-23	2021-22
Ageing	>12 Months	>12 Months
Gross carrying amount	3,524	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,524	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2022-23	2021-22
Ageing	<12 Months	<12 Months
Gross carrying amount	33,260	26,601
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	33,260	26,601

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:





# **i. Commercial risk**

## **a. Sale price risk**

Particulars	Impact on profit	
	2022-23	2021-22
Selling price increase by 5%		
Barytes & Coal	10,100	4,889
Agency services	-	861
Survey Stones	409	-
Selling price decrease by 5%		
Barytes & Coal	(10,100)	(4,889)
Agency services	-	(861)
Survey Stones	(409)	-

## **b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2022-23		2021-22	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense				
Excavation & transport charges for run of mine	(327)	327	(279)	279
Excavation & transport charges for overburden	(1,883)	1,883	(1,105)	1,105
Excavation of Coal & OB Removal	(1,603)	1,603	-	-

## **40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2023**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>1,52,787</b>	<b>1,52,787</b>	<b>67,205</b>	<b>85,582</b>



As at 31st March 2022

Particulars	Carrying Amount	Contractual cash flows		
		Total	Less than 12 months	More than 12 months
Non-derivative financial liabilities:				
Trade payables	11,324	11,324	11,324	-
Non-current financial liabilities	79,131	79,131	-	79,131
Current financial liabilities	43,691	43,691	43,691	-
Total	1,34,146	1,34,146	55,015	79,131

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2023	As at 31-03-2022
Employers contribution to provident fund	178	94
Employers contribution to pension fund	62	52

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2022

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	546	476	498	453
Service cost	19	21	29	17
Interest expenses	38	30	35	29
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(44)	(57)	(36)	(63)
Remeasurements - actuarial (gains)/losses	134	75	178	62
<b>Benefit obligations at the end</b>	<b>694</b>	<b>546</b>	<b>706</b>	<b>498</b>



Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	510	478	801	812
Interest income	36	32	57	53
Employer contributions	5	57	5	1
Benefits payments from plan assets	(44)	(57)	(36)	(63)
Actuarial gain / (loss) on plan assets	0	0	(6)	(2)
<b>Benefit obligations at the end</b>	<b>503</b>	<b>510</b>	<b>822</b>	<b>801</b>

**ii. Amount recognized in the Balance sheet as at**

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
PV of obligations at the end of the year	694	546	706	498
Fair value of plan assets at the end of the year	503	510	822	801
Liability (+) / Asset (-) recognised in the balance sheet	191	36	(116)	(303)

**III. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Service cost	19	21	29	17
Interest expenses	2	(2)	(22)	(24)
<b>Net expense recognised</b>	<b>21</b>	<b>19</b>	<b>7</b>	<b>(7)</b>



iv. Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Actuarial (gain)/losses on obligations for the period	134	76	178	62
Actuarial (gain)/losses on plan assets for the period	5	0	6	2
<b>Net expense recognised</b>	<b>139</b>	<b>75</b>	<b>184</b>	<b>64</b>

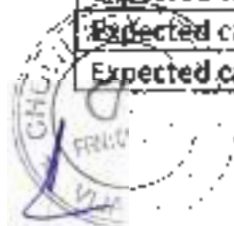
Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Rate of discounting	7.52%	7.30%	7.52%	7.30%
Rate of salary increase	7.00%	6.00%	7.00%	6.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.29%	13.51%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Expected cash flow in year 1	1,07	30	191	83
Expected cash flow in year 2	99	13	127	67
Expected cash flow in year 3	62	44	103	76
Expected cash flow in year 4	66	91	83	88
Expected cash flow in year 5	72	83	76	70
Expected cash flow in year 6	83	68	80	56
Expected cash flow in year 7	31	53	40	44
Expected cash flow in year 8	142	58	71	41
Expected cash flow in year 9	62	67	35	42



Expected cash flow in year 10	7	23	17	21
Expected cash flow in year 11	525	532	142	130

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	694	546	0.00%	0.00%
Salary escalation - up by 1%	713	579	2.75%	5.07%
Salary escalation - down by 1%	672	511	-3.16%	-6.44%
Withdrawal rates - up by 1%	700	550	0.91%	0.72%
Withdrawal rates - down by 1%	687	542	-1.02%	0.80%
Discount rates - up by 1%	656	509	-5.52%	-6.88%
Discount rates - down by 1%	737	589	6.26%	7.79%
Mortality rates- up by 10%	694	546	0.05%	0.04%
Mortality rates- down by 10%	693	546	-0.05%	-0.04%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. In. Lakhs)		(% of change)	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Under base scenario	706	498	0.00%	0.00%
Salary escalation - up by 1%	735	523	4.10%	5.00%
Salary escalation - down by 1%	678	475	-3.90%	-4.70%
Withdrawal rates - up by 1%	706	499	0.00%	0.20%
Withdrawal rates - down by 1%	705	497	-0.10%	-0.20%
Discount rates - up by 1%	683	478	-3.20%	-4.00%
Discount rates - down by 1%	730	520	3.50%	4.40%
Mortality rates- up by 10%	706	499	0.00%	0.00%
Mortality rates- down by 10%	706	498	0.00%	0.00%





#### **ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.

#### **x. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-03-2023	As at 31-03-2022
Profit after tax before exceptional items	59,126	30,051
Add: exceptional items	-	-
Profit after tax after exceptional items	59,126	30,051
Profit available for equity shareholders	59,126	30,051
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	93,758.22	47,653.81
Basic and diluted earnings per share (In Rupees) – after exceptional item	93,758.22	47,653.81

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.



**iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.

**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,40,544 Lakhs is derived from five customers (P.Y 73,542 Lakhs from four customers).

**vi. Information about product and services**

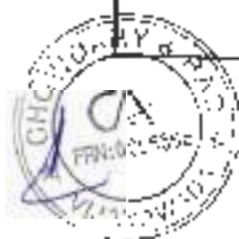
The company revenue from external customers for each product is same as that disclosed below under "segment revenue"

**a. Segment reporting for the financial year 2022-23**

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
Segment revenue				
External revenue *	2,02,002	-	8,189	2,10,191
Total segment revenue	2,02,002	-	8,189	2,10,191

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
Segment Results				
Profit/(Loss)	97,984	-	-	97,984
Unallocated other income	-	-	9,816	9,816
Unallocated expenses and finance cost	-	-	(24,164)	(24,164)
Profit before exceptional items and tax	97,984	-	(14,348)	83,636
Exceptional items				
Profit on investment in JV	-	-	270	270
Profit before tax	97,984	-	(14,078)	83,906
Income tax - Current	-	-	20,202	20,202
Deferred tax	-	-	4,578	4,578
Profit after tax	97,984	-	(38,858)	59,126



Other Information				
Segment assets **	2,17,255	16,166	3,16,458	5,49,879
Segment liabilities **	1,45,060	8,861	72,515	2,26,436
Capital work in progress	332	-	582	914
Depreciation and amortisation	3,309	886	177	3,496
Non-cash expense other than depreciation and amortisation	-	-	3	3

\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2021-22**

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	97,251	17,220	531	1,15,002
<b>Total segment revenue</b>	<b>97,251</b>	<b>17,220</b>	<b>531</b>	<b>1,15,002</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2021-22			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	42,288	4,658	-	46,946
Unallocated other income	-	-	4,931	4,931
Unallocated expenses and finance cost	-	-	(10,919)	(10,919)
<b>Profit before exceptional items and tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,988)</b>	<b>40,958</b>
Exceptional items	-	-	-	-
Profit on investment in JV	-	-	279	279
<b>Profit before tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(5,709)</b>	<b>41,237</b>
Income tax - Current	-	-	10,994	10,994
Deferred tax	-	-	191	191
<b>Profit after tax</b>	<b>42,288</b>	<b>4,658</b>	<b>(16,894)</b>	<b>30,051</b>
<b>Other Information</b>				
Segment Assets **	1,56,474	20,426	2,46,561	4,23,461
Segment Liabilities **	85,819	10,616	62,387	1,58,823



Capital work in progress	24	-	1,120	1,144
Depreciation and amortisation	284	110	171	566
Non-cash expense other than depreciation and amortisation	-	-	5	5

#### 44. Related party transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at 31-03-2023	As at 31-03-2022
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallava red granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director





**Others**

Name of the related party	Relation
AP state fibernet limited – APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited - APSFSCCL	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,498
Pallavared granite private limited	447

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Andhra Pradesh granite (Midwest) private limited	274	62
Pallavared granite private limited	-	433
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iii. Provisions for doubtful debts due related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2023	As at 31-03-2022
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
Pallavared granite private limited	-	107

**iv. Balance during the year with related parties**

Investment In subsidiaries	As at 31-03-2023	As at 31-03-2022
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-03-2023	As at 31-03-2022
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Grand AP barytes beneficiation private limited	0	0





Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2023</b>	<b>31-03-2022</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
<b>Total</b>	<b>147</b>	<b>147</b>
Investment derated/provision	147	147

**v. Remuneration & Others to key management personal**

Name of the key management personal	As at 31-03-2023	As at 31-03-2022
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	12	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
AP state fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	30,500

**vii. Advance to related parties**

Name of the related party	As at 31-03-2023	As at 31-03-2022
Rayafaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1100	1100

\*Provision for the doubtful advance is created on the above advances given to the related parties.



#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stock yards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stock yard, ramp maintenance, loading of sand into dispatch vehicles at the stock yard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stock yards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedure laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.22.91 crores against pending bills.



46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:

Subsidiaries	
Name of the subsidiary	Reason
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence It is not carrying on any activity.
APMDC - SCCL Suliyan coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Associates	
Name of the associate	Reason
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in



Andhra Pradesh tribal mining private limited	operative. Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative
Gimpox AP barytes beneficiation private limited	The company has not commenced the operations and non-operative
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.

#### 47 Deferred tax asset /(liability)

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Tax effect of Items constituting deferred tax assets</b>		
Provision for employee benefits	0	6
Provision for decommissioning asset	2,472	2,299
Property, plant and equipment	-	-
Other provisions	2,822	2,039
<b>Total deferred tax asset</b>	<b>5,294</b>	<b>4,344</b>
<b>Tax effect of Items constituting deferred tax assets</b>		
Property, plant and equipment	1,879	1,897
Investments	25	25
Intangible Asset Under Development	5,545	-
<b>Total deferred tax liability</b>	<b>7,449</b>	<b>1,922</b>
<b>Deferred tax asset /(liability) – net</b>	<b>2,155</b>	<b>(2,423)</b>





#### 48. CSR Expenditure

- Gross amount required to be spent by the company during the year is Rs.716 (Previous Year Rs.797).
- Amount spent during the year

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Construction/ acquisition of any assets	-	-
Purpose other than above	2,054	787

#### 49. Treatment of demerger plan in the Books of accounts

- The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- The then Principal Secretary (Ind & Comm ), and Chairman, APMDC (United State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G O Ms.No 19 dated 29.01.2019.
- The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.





Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
<b>Ratio</b>		<b>58.32%</b>	<b>41.68%</b>
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### Amounts held in current accounts, fixed deposits, sweep accounts

Balances have been recognised to the extent of company share as per the demerger plan approved by the Government of Andhra Pradesh vide its G.O.Ms.No 19 dated 29.01.2019 consequent to bifurcation of the state of Andhra Pradesh with effect from 02-06-2014. Out of these balances an amount of Rs.89,402 Lakhs (sweep accounts of Rs.809 lakhs and fixed deposits of Rs. 88,593 lakhs) in various banks were frozen by all the banks as per instructions of the government of Telangana vide its letter dated 20-10-2014. However, company has been renewing the fixed deposits upon maturity and created fresh fixed deposits together with the interest earned there on.



#### 50. Loan to Andhra Pradesh State Fiber Net limited (APSFL)

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan. Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00



3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day to day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC. It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.



Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.11.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.11.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

#### **54. Non valuation of inventory**

##### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 8,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and based on the sales of current financial year, and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MTs and the remaining stock (78.37 lakhs MTs) is considered without value.

##### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs. 72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company.

During the FY 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2023 is 1.63 lakh MT (including 151 MTs of Grade – 1) which the company has not valued.

#### **55. Leasehold Lands**

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.





Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Madanpur	713.95
<b>Total</b>		<b>2,556.86</b>

#### 56. Term loan from the State Bank of India

During the financial year 2020-21, company has availed a term loan of Rs.918.00 crores from the state Bank of India, Industrial finance Branch, Guntur for meeting part of the project cost of Suliyari coal mine, Madhya Pradesh and same is repayable through 102 equal monthly instalments from September, 2022. This facility is secured by way of exclusive charge over total fixed and current assets of the company. The company has been regular in repayment of interest and principal amounts on due dates

#### 57. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSC)

Company has received a letter from APSFSC with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSC. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the current financial year totalling to Rs.555.00 crores till 31-03-2023 for which Deposit certificates have been obtained from the APSFSC. APMDCL has received interest regularly till 31-03-2023 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSC.

#### 58. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a Government memo No:INC01-MG/10/2022-M-III DATED 02.09.2022 and Go.Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS & LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS & LR department from time to time. Further necessary tax invoices have been raised on the SS & LR department for the survey stones supplied with mark up of 7% as per the GO.





#### 59. Commencement of commercial operations in Suliari Coal project, Madhya Pradesh.

The company has commenced its commercial operations on 10-03-2022 in its Suliari Coal Project, Madhya Pradesh and same has been notified to the Nominated authority, Ministry of Coal, New Delhi. During the first year of operations 22,900 MT's of coal has been produced. Of which, 87.35 MT's coal has been dispatched leaving a closing stock of 22,812.65 MT's as of 31-03-2022. All Evaluation expenditures incurred till 09-03-2022 totalling to Rs.1360.71 crores have been capitalised as Intangible asset. Amortisation expenses have been recognised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved by the Nominated Authority, Ministry of Coal, Government of India.

During the current year, 1,941,507.45 MT's of coal has been produced (Cumulative 1,964,407.45 MT's) and 1,420,268.44 MT's has been dispatched (Cumulative 1,420,355.79 MT's) leaving a closing stock of 544,051.66 MT's as of 31-03-2023. Further, an additional amount of Rs.144.54 crores has been incurred on project intangible assets.

#### 60. Additional information

##### Particulars of consumption of stores & spares (Rs.in. Lakhs)

Particulars	Figures as at the end of March 31, 2023		Figures as at the end of March 31, 2022	
	Value	Percentage	Value	Percentage
Stores & spares Imported	-	-	-	-
Indigenous	256	100.00	365	100.00
Total	365	100.00	365	100.00

#### 61. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023 and 22<sup>nd</sup> November 2023 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG). Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022, the board of directors of the company in their meeting held on 22<sup>nd</sup> November, 2023 approved the financial statements for the ending 31<sup>st</sup> March, 2022. In view of this, the reported amounts as on 31<sup>st</sup> March, 2023 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022 and subsequent approval at annual general meetings. Necessary adjustments if any will be made in subsequent years.



## 62. General

- Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- All amounts have been reported in Rs. lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0 50 lakhs.

For CHOWDARY & RAO  
Chartered Accountants  
Firm Regn No.0006565

A V Raghava Rao  
Partner  
Mem No.200578



for and on behalf of the board of directors

Sri Pravin Kumar  
Managing Director  
DIN:07106418

G. Rama Subbaiah  
Director  
DIN: 10915409

V.V.V. Phani Kumar  
General Manager-F&A



Place: Vijayawada  
Date: January 20, 2025

UDIN: 25200578BMHVUD8898



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Andhra Pradesh Mineral Development Corporation Limited

**Report on the Audit of Standalone Financial Statements.**

### Qualified Opinion:

We have audited the accompanying Standalone Financial Statements of **The Andhra Pradesh Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our Report, the aforesaid Standalone Financial Statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 as amended, (Ind AS) and other accounting principles generally accepted in India of the:

- In case of Balance Sheet, of state of affairs of the Company as at 31<sup>st</sup> March 2024,
- In case of Statement of Profit and Loss (including Other Comprehensive Income), of profit of the Company for the year ended on that date,
- In case of Statement of Changes in Equity, and
- In case of Statement of Cash Flows, of cash flows for the year ended on that date.

### Basis for Qualified Opinion

- Refer Note 4B of the accompanying Standalone financial statements, where the company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Company has paid & adjusted Fixed Deposits, Interest on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on Confirmation obtained from them vide Memo No 4354/MI(1)/2018 dated 30-Jan-2024. The following balances still continue in the Standalone Financial Statements, after adjustment of the afore Fixed Deposits. In the absence of information, we are not able to ascertain the impact of the following amounts:

Sl. No	Name of the ledger	Note no	Classification	Rs. in lakhs	Dr/Cr
1	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	2,630.94	Cr
2	Vijayawada (bank)	11	Cash and cash equivalents	203.92	Dr

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Branch Offices : • Tenali • Hyderabad • Narasaraopet





2. The company has accounted for interest on credit sales from customers amounting to Rs.1.17 Cr for the FY:2023-24. The basis for calculation of accounting interest on credit sales has not been provided. The contractual copies which contain the terms and conditions for levying interest have not been provided. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales for the FY: 2023-24. Accordingly, the resultant impact on the standalone financial statements could not be ascertained.
3. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, Extra shift depreciation as per Sch II is not being provided for equipment(s) which are continuously used in the mining operations.

4. **Non-Conformity with Ind AS 115 - Revenue from Contracts:**

APMDC has neither adopted nor disclosed the 5-step model specified in Ind AS 115 to account Revenue arising from contracts with customers which requires that the Revenue be recognized to an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to a customer. However, the Revenue Recognition policy disclosed in Note 2(f) of the Significant Accounting Policies is not in line with Ind AS 115 Revenue from Contracts & Ind AS-1 Presentation of Financial Statements.

i) **Recognition & Measurement - Grade Variance of Coal not adjusted to Revenue:**

As per Ind AS 115, Revenue has to be measured at standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment. However, Grade Variances on account of quality difference in coal as per Clause 6 of Sale Agreement with Adani Power Limited (APL) for the FY: 2023-24 has not been adjusted to Revenue disclosed in Note 27 of the accompanying Standalone Financial Statements, which constitutes a departure from Ind AS 115. Accordingly, Revenue & Profit are overstated by Rs.148 Cr (Basic Coal Value) for the FY: 2023-24.

ii) **Measurement – Statutory Levies included in Revenue:**

As per Ind As 115, transaction price “... is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, **excluding** amounts collected on behalf of third parties (for example, some sales taxes).” Revenue disclosed in Note 27 of the accompanying Standalone Financial Statements is inclusive of all Statutory Levies excl. GSTs per Note 2(f) of the Significant Accounting Policies. As, inappropriate accounting policy cannot be rectified by disclosure, measurement of Revenue by incl. Statutory Levies, constitutes a departure from Ind AS 115. Accordingly, Revenue disclosed in Note 27 is overstated by Rs. 678.35 Cr and corresponding overstatement of Rates & Taxes (Note-35 Other Expenses) by Rs. 678.35 Cr for the FY: 2023-24.

iii) **Measurement - Survey Stones:**

As per G.O.Ms.No.33 dated 30-May-2023 of Mines & Minerals Department, in respect of supply of Survey Stones by APMDC “4(c) reimburse the expenditure incurred by Andhra Pradesh Mineral Development Corporation (M/s APMDC) for production and transportation of stones, along with service charge of 7% of the value of survey stones supplied.” i.e., APMDC receives Service charge of @ 7%. However, no accounting policy regarding revenue recognition & measurement criteria, pertaining to Survey Stones consequent to APMDC receiving only Service Charge was disclosed, which is not in line with Para 117 of Ind AS-1 Presentation of Financial Statements.



Out of the total Rs. 275 Cr Survey Stone Sales disclosed in Note 27 of the accompanying Standalone Financial Statements, Rs. 267.3 Cr sale was made by APMDC on Service Charge basis. Instead of recognizing Revenue at Rs. 17.5 (7% Service Charge Income), APMDC has recognized the entire Rs. 267.3 Cr (Stone Purchase Cost + 7% Service Charge) as Revenue & corresponding expenditure of Rs. 249.8 (Stone Purchase Cost) Cr as Other Expenses disclosed in Note 35, which is not in line with the Ind AS 115, resulting in overstatement of Revenue & Other Expenses to the tune of Rs. 249.8 Cr for the FY: 2023-24.

**5. Loss Allowance for Expected Credit Losses / impairment as required under Ind AS 109:**

- a) Corporation has stated in Note No.10 of the accompanying Standalone financial statements that a total amount of Rs.738.4 Cr was outstanding towards unsecured trade receivable being considered good by the Management. In our opinion, receivables those beyond certain period as decided by the board and those disputed in courts (if any) should have been classified under the heads 'significant increase in credit risk' and 'credit impaired' and adequate loss allowance from profit before tax should have recognised for expected credit losses in accordance with Ind AS 109. This resulted in overstatement of profit and overstatement of trade receivables.
- b) Of the Rs.738.4 Cr trade receivables in Note 10, Rs.417.6 Cr is due from the Survey Settlements & Land Records (SS&LR) Dept., Govt. of Andhra Pradesh, for supply of survey stones by APMDC. These receivables are unsecured and no guarantee is provided by the government. As per Sl. No. 4(d) of G.O.Ms.No.33 dt. 30-May-2023, payment should be made via adjustment bill to APMDC's PD account, but no funds were received in FY 2022-23 or FY: 2023-24. Management has not provided any expected Credit Losses on the same.
- c) Further, Out of the Rs.738.4 Cr trade receivables in Note 10, Rs. 152.4 Cr is due from Dept., of Mines and Geology, Andhra Pradesh towards sand operations carried on by the company as an agent during FY: 2022-23. These receivables are unsecured and no guarantee is provided by the government. Management has not provided any expected Credit Losses on the same.
- d) Further, Corporation has not provided the list of trade receivables which remain uncollected for more than 3 years and exceeded the limitation period for filing suit in the court, but where no legal case was filed for recovery.
- e) An amount of Rs.48.89 Cr only was kept under 'Reserve for Bad and Doubtful Debts' by the Company as on 31-Mar-2024. We are of the opinion that the Company should create adequate provision for loss allowance from profit before tax (instead of appropriation of after-tax profit as reserve) in accordance with Ind AS 109 for bad and doubtful trade receivables, and other recoverable.
- f) Balance confirmations are not obtained for the Trade receivables disclosed in Note 10 of the accompanying Standalone Financial Statements, and the balances remained unreconciled. Further, corporation has no regular system to maintain ageing analysis of trade receivables. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the standalone financial statements.





6. There exists long outstanding credit balances towards advances received from customers, trade payables, security deposits payable, EMD Payable Penalty Suspense, Statutory Dues Payable, and Other deposits payable which are disclosed in Note No.18, 20, 23, 24 and 25 of the accompanying Standalone financial statements and remain unpaid and unreconciled. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Even though, Corporation has disclosed an accounting policy for de-recognition of financial liabilities which were discharged, expired or cancelled in accordance with Ind AS 109 in Note 2(x), the same is not being followed / implemented. The precise effect of consequential adjustments upon such confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
7. There exists long outstanding advances given to Govt. Departments, Deposits with Collectors, Security Deposits, amounts recoverable from vendors & customers, which are disclosed in Note No. 5, 6, 8, 12 & 14 of the accompanying Standalone financial statements and remain outstanding and unreconciled. Further, confirmations / Utilization Certificate from Parties are also not available. Even though the corporation has disclosed an accounting policy for de-recognition of financial assets in accordance with Ind AS 109 in Note 2(x), & an accounting policy for impairment as per Ind AS 36 in Note 2(i), the same is not being followed / implemented. The precise effect of consequential adjustments upon such Utilization Certificate / confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
8. Refer Note 38, where the company has disclosed Classification of Financial Instruments as per Ind AS 109 as Amortized Cost & FVTPL. However, Loans and advances given to staff at concessional rate of interest, Trade Receivables, Trade Payables, Other Financial Assets & Other Financial Liabilities are not accounted at fair value and required disclosures have not been made as per Ind AS 109.
9. Note 35 Other expenses does not include Rs 132.28 Cr for the year and Rs 857.65 cr for previous years totalling to Rs 989.93 Cr payable by the company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT), as on reporting date though the company required to contribute 10% of the sales turnover to MERIT, which was formed by State Government (G.O.Ms. No 18 dated 13-Jan-2016) in place of Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. Rather, the liability towards the contribution is disclosed as contingent Liability in Note -37 to accounts quoting that Company requested (November 2019) the Government for exemption from contributing 10% of sales turnover and a fixed amount would be contributed. As per the latest information (Feb-2025) no exemption was granted by the State Government / MERIT. Hence suitable provision should have been recognised along with disclosures. Thus, non-recognition of provision should have been recognised along with disclosures. Thus, non-recognition of provision resulted in understatement of Other Expenses and Other current liabilities (Note-25) by 989.93 Cr each with consequent overstatement of the Profit for the year by the same amount.
10. The Company has been generally filing Income Tax Returns based on Provisional Financials (incl. for the FY:2023-24) without fully complying with the provisions of the Income Tax Act. Refer Note 8, where the Company stated Corporate Tax Receivable amounting to Rs. 175.45 Cr which are pending on account of various disputes at different forums & Refer Note 26, where the company has stated Provision for Income Tax Payable amounting to Rs.144.53 Cr for previous years. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Any consequential effect on account of actual tax liability based on the audited financial statements of previous years on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the standalone financial statements.



Further, APMDC has recognized Current Tax & Deferred Tax for the FY: 2023-24 in the statement of profit & Loss based on internal assessment. The estimate of Provision for Current Tax & Deferred Tax is subject to change on completion of Tax Audit u/s 44AB of Income Tax Act based on Audited Financial Statements. The precise effect of consequential adjustments upon such allowances / disallowances on completion of Tax Audit, if any, on the Standalone Financial Statements is not ascertainable.

11. The Board of Directors have declared Interim Dividend of Rs.400 Cr for the FY: 2022-23 & Rs.1,000 Cr for the FY: 2023-24 during Jan-24 & Feb-24. Out of the interim dividend declared amounting to Rs. 1,000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid as on date, leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.

Further, the company has written off Suspense A/c & Security Deposits totaling to Rs. 3.26 Cr during FY: 2023-24 and offered the same as Income. However, the corporation has neither a policy for write off of such Outstanding Deposits beyond a timeframe nor has documented approvals of the appropriate authority for such write offs. In addition, information in respect of ageing analysis of Security Deposits Payable, EMD Payable and Advances received from customers are not available. In the absence of information, we are unable to ascertain whether these amounts qualify as deposits under Companies (Acceptance of Deposits) Rules, 2014 & as to whether the Dividend paid by the company during the year is in compliance with provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.

12. The company is required to disclose Contingent Liabilities as per Ind AS 37. The best estimate of contingent liabilities is disclosed in Note 37 to the accompanying Standalone Financial statements as at March 31, 2024. The same could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification. Further, the disclosure in Note 37 does not contain details of current status of dispute, management estimate of outcome, accrued interest payout and amount involved for which no provision is made.

Further, the disputed income tax demands as disclosed as at 31-Mar-2024 in Note 37 of the accompanying Standalone Financial Statements is not matching with latest demand outstanding notice for which reconciliation and current status of dispute is not provided. Certain demands are found to be adjusted with income tax refund due, which are stated as receivable under Note 8 (Others – Balance with Statutory Authorities).

### 13. Inventory

- a) Physical Verification of Inventories on 31-Mar-2024 has not been carried on by the Management or by an external agency. Management has arrived at the quantities of closing stock of coal, Barytes & Survey Stones as on 31-Mar-2024 based on the Opening Stock, Production and Dispatch records. In the absence of physical verification of Inventories, the actual quantities as on 31-Mar-2024 may differ from the reported quantities by the management. Therefore, the precise effect due to any consequential variances in the quantities of inventories, cannot be ascertained.

Refer Note 2(i) & Note 53, where company has recognized closing stock for C+D+W Grade of Barytes only for a quantity of 15,00,000 MTs as against the actual quantities of 77,34,091 MT and considering no value for the remaining stock of 62 Lakh MTs (approx.), as management expect this grade not to fetch any value in the market.



However, on 24-Jan-2024 a tender was issued by APMDC for the sale of C+D+W grade material, with a reserve price of Rs.1,200/- per MT basing on the pricing strategy conducted by PWC. Single bid has been received & several parties expressed interest to lift the C+D+W grade material on reduction of EMD & Tender fees. Therefore, the estimate of the management that the C+D+W+ grade material has no market value is not appropriate and not in line with Ind AS 2 - resulting in undervaluation of Inventory to an extent of Rs. 489 Cr. (62 Lakh MT @ Rs.784 / MT – Actual Cost of Production of C+D+W for FY: 2023-24).

- b) As required under para 97 and 98 of Ind AS 1, Corporation shall disclose the exceptional items like Carrying amount of inventory written down to net realisable value separately in its financial statements. However, carrying amount of inventory (C+D+W Barytes & Survey Stones) written down in the year & previous years to net realisable value (Nil) is not disclosed separately in the Standalone financial statements.

14. The total Mine Closure Cost for Suliyan Coal Mine as per the Mining Plan is Rs.526.6 Cr to be incurred over a period of 26 years & the company recognized Decommissioning Asset & corresponding Provision for Decommissioning based on Mine Closure guidelines of Ministry of Coal for Total Mine Closure (Refer Note 2(p)). However, as per Clause 16.2(b) read with Clause 7.6 of the agreement between APMDC & M/s Adani Enterprises Limited (AEL), Mining Fee payable to AEL shall also include costs incurred towards "Progressive Mine Closure activities" and therefore, no additional cost is to be incurred by APMDC towards Progressive Mine Closure activities. In the absence of adequate information relating to Total Mine closure cost apportionment between AEL & APMDC, we were unable to ascertain the adequacy and extent of Decommissioning Asset (Note 3.3) & Provision for Decommissioning (Note 19) recognised in the Standalone Financial Statements and their corresponding accumulated depreciation & Unwinding Costs debited to Profit & Loss for the FY: 2023-24. The precise effect due to the consequent distribution of Mine Closure costs between AEL & APMDC could not be ascertained.

Further, APMDC has been operating Granite Mines at Chimakurthy, Andhra Pradesh. No provision for Mine Closure & Decommissioning costs as required under Ind AS 16 has been recognized in the Standalone Financial Statements as on 31-Mar-2024. The resulting impact on Standalone financial statements could not be ascertained, in the absence of adequate information.

15. We draw your attention to Note 34, where the company expensed Rs. 374 Cr towards Removal of Overburden in Barytes (Mangampet Mine) achieving Stripping Ratio of 3.17, as against 1.77 Stripping Ratio as per Mining Plan. The management has represented that, the significant increase in OB Removal in Mangampet Mine during the year is on account of OB removed in the adjacent Dolomite Mine, which is not included in computation of Stripping ratio of the Barytes Mining Plan. The expenses incurred for OB removal of Dolomite mine is required to be considered as Development expenditure and is required to be capitalized as per Accounting Policy disclosed in Note 2(aa). The OB Excavation expenses of Rs. 374 Cr is not allocated / apportioned between Barytes & Dolomite Mine and is charged entirely to Revenue for the FY: 2023-24. In the absence of bifurcation of the OB excavation expenditure between Barytes & Dolomite Mine, we are unable to ascertain the impact on profit & Loss account. Accordingly, the accounting policy selected and adopted by the company for accounting Overburden removal costs is not in line with Para 10, 11 & 12 of Ind AS 8.





16. As per Para 13 of Ind AS 8, an entity shall select and apply its accounting policies consistently for similar transactions & it shall be selected and applied consistently to each category. The Company has not adopted any Accounting Policy in respect of treatment for R&R Costs. The following account treatment is followed by the company in respect of R&R Costs:

- a) In respect of Mangampet mine, the R&R costs incurred at the inception of the project is not found as an asset, as the same is charged to revenue as and when incurred. However, part of the R&R Costs incurred by the company during the previous years are parked as advances and neither expensed off nor capitalized amounting to Rs. 155 Cr. These R&R costs along with R&R costs incurred during the FY: 2023-24 of Rs. 290 Cr, aggregating to Rs. 445 Cr were capitalized as Mining Assets during FY: 2023-24 and amortized over the remaining life of the mine (5 Years). Amortization Cost debited to Profit & Loss on this account is Rs. 106 Cr. Further, justification for incurring R&R costs when the mine is nearing closure is not available.
- b) R&R Costs and Mine Development Costs incurred in respect of Suliari mine amounting to Rs. 1,517 Cr up to FY: 2022-23 are capitalized as Mining Infrastructure Assets as and when incurred, which is in contrary to the accounting for R&R costs adopted for Mangampet Mine up to FY: 2022-23.
- c) On verification of the Lands in (PPE - Note 3), R&R Costs are capitalized as Land amounting to Rs. 18.9 Cr, which is neither charged to revenue nor amortized. This is in contrary to the accounting treatment given by the company for Mangampet & Suliari Mines.

As the Company has neither adopted & disclosed the accounting Policy nor applied the accounting treatment for these costs consistently in respect of R&R Costs, the same is not in line with Para 10, 11, 12 & 13 of Ind As 8. The precise effect of consequential adjustments on the Standalone Financial Statements on adoption of the accounting policy by the company is not ascertainable.

**17. Suliari Coal project, Madhya Pradesh:**

- a) The company has outsourced the entire Mine Development & Operations of Suliari Coal Mine, Madhya Pradesh to "Adani Enterprises Limited" (MDO) & around 70% of coal produced during FY:2023-24 is sold to "Adani Power Limited" (APL) vide a coal supply agreement for 5 years. During the FY: 2023-24, the average Sale rate of coal to APL is significantly lower than compared to the avg. sale rate to other parties, resulting in forgone potential revenue of Rs. 430 Cr. The documentation along with justification of awarding the Mine Production & Sale agreements to parties related to each other are not on record.
- b) Further, Liquidated Damages / Compensation / Penalties for delay in commencement of Coal production & for not meeting the monthly quantity obligations as per the terms of the agreement are not levied on AEL by APMDC. Similarly, no Penalties are levied by APMDC on APL for Short Lifting of Coal produced as per the terms of Coal Supply agreement. Further, no waiver by competent authority is available on record.
- c) Additionally, Interest bearing Performance Security Deposit (PSD) of Rs.250 Cr is taken from Adani Power Limited (APL) by APMDC instead of a Bank Guarantee. Justification of the management in accepting Interest bearing PSD instead of Interest free Bank Guarantee cannot be ascertained.
- d) An amount of Rs. 1,652 Cr. was capitalized towards R&R & Mine Development Costs of Suliari Coal Mine as on 31-Mar-2024. As the records relating to the costs incurred during the previous years are not available, we are unable to comment on the appropriateness of the R&R and Mine Development Costs Capitalized.

In the absence of any effective documented Risk Management Policy by the company, we are unable to ascertain the corresponding effect on the Standalone financial Statements and operations of the Suliari Mine, due to potential Risks (if any) involved in the aforesaid matters.



18. Corporation has not obtained confirmation of MSME classification from vendors and hence, bifurcation of trade payables to MSME and others is not disclosed as required under Schedule III of Companies Act. Further, the ageing of Trade Payables, Trade Receivables & Capital Work in Progress, Cost & Time Overrun of CWIP is not disclosed as required under Schedule III of Companies Act, 2013.

**19. Interest Free Loan to Andhra Pradesh State Fiber Net Limited (APSFL):**

The Company has released an interest free unsecured loan of Rs. 100 Cr during the financial year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly instalments starting from FY: 2018-19 and ending in FY: 2021-22. APSFL has not repaid the instalments due in FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 as per terms of the agreement till date. The said loan is unsecured and not backed up by any government guarantee.

The management has not provided for impairment on the loan amount as it is confident of the recovery of the loan. In the absence of Audited Financial Statements of APSFL from FY 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

**20. Loan to Machilipatnam Urban Development Authority (MUDA):**

The Company has released unsecured loan of Rs. 200 Cr. to M/s Machilipatnam Urban Development Authority ("MUDA") on 01-Nov-2018 bearing interest at 8% per annum and repayable in 45 days. Despite multiple requests for repayment by APMDC, both the principal and the outstanding interest remain unpaid as on date. The said loan is an unsecured loan and is not backed by any government guarantee.

Additionally, APMDC received G.O.Ms. No. 32 dated 14-Mar-2024 to Waive off Rs.7.07 Cr of principal amount and corresponding interest that is recognised in the books of account. The Company has not written off / impaired the Loan. Further, in the absence of Audited Financial Statements of MUDA from FY 2018-19 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.

Further, the management has not provided for impairment on the loan amount as it is confident of the recovery of the loan, but on the other hand management has not recognized Interest Income amounting to Rs. 84.7 Cr for the period of 1931 days from 16.12.2018 to 31.03.2024 (excl. penal interest leviable under Clause 4 of loan agreement), on the basis of the accounting policy stating that Interest Income on irregular / overdue advances are recognized on realization basis. Thus, the practice of the Company to defer the recognition of interest accrued on loan referring to its accounting policy disclosed at 2(f)(iv) to recognise interest income on irregular / overdue advances on realisation basis is not justified and appropriate to that extent since neither uncertainty in realisation of the said loan was justified nor carrying amount of loan was impaired. As, inappropriate accounting policy cannot be rectified by disclosure. Deviation from accrual basis of accounting results in understatement of Other Income and Loans by Rs. 84.7 Cr each with understatement of Profit by the same amount.





21. APMDC has secured a term loan from SBI at an initial interest rate of 7.20% to fund the Capex of the Suliyan Coal Mine. Subsequently, on 13-Oct-2021, it received an interest-bearing Performance Security Deposit (PSD) from Adani Power Limited (APL) at an initial interest rate of 9%, payable to APL on a quarterly basis. The decision to accept an interest-bearing PSD from APL instead of a cost-free bank guarantee lacks commercial justification.

Furthermore, APMDC has invested Rs. 555 Cr. in Inter-Corporate Deposits (ICDs) of Andhra Pradesh State Financial Services Corporation (APSFSCCL), earning an initial interest rate of 5% per annum. These ICDs are redeemable with a 21-day notice. The investment was made using Rs. 250 Cr. from the interest-bearing PSD received from APL, along with other bank balances of APMDC. This has resulted in APMDC borrowing at higher interest rates (Term Loans & PSD) while investing in ICDs at lower interest rates, leading to a revenue loss for the Corporation.

The financial rationale behind the management's decision to continue holding these ICDs, despite their redeemability within 21 days, and not utilizing the funds to repay borrowings remains unclear. As a result, APMDC has incurred a revenue loss of Rs. 10 Cr. for FY 2023-24 (based on revised Interest rates for FY: 2023-24) due to the continued investment in these ICDs. The total revenue loss to APMDC from inception could not be determined due to the fluctuating nature of interest rates on these borrowings.

22. APMDC has employed maximum of 336 Nos. of Contract employees during FY: 2023-24 with a monthly remuneration totaling to Rs. 1.14 Cr during that period and debited Rs. 10.5 Cr for the FY: 2023-24 to the statement of profit & loss.

On comparison with Dec-2024, the No. of. Contract Employees substantially dropped to 74 Nos. from 336 Nos. and the monthly remuneration to Rs.0.5 Cr from Rs.1.14 Cr. The designations of the contract employees during FY: 2023-24 were DEO or DPO and the Job Descriptions were not specified in the terms of the agreement. Further, we are unable to obtain any explanation and justification of the management for the significant decline in the total no. of contract employees. In the absence of sufficient & adequate information, we are unable to ascertain the existence and accuracy of the Contract Employee Cost of Rs. 10.5 Cr debited to profit & loss for the FY: 2023-24 under Employee Benefit Expenses.

23. We draw attention to Note 43 to the accompanying Standalone financial statements, where the company has not adequately disclosed segment information in accordance with Indian Accounting Standard (Ind AS) 108 – Operating Segments. The standard requires an entity to disclose information about its operating segments based on internal management reporting used for decision-making, including segment revenue, segment results, and segment assets and liabilities.

The Company has coal and barytes operations, which comprise two major sources of revenue. However, the company has disclosed Segment reporting under a single segment as mining operations, instead of presenting them as separate operating segments. Since these operations have distinct economic characteristics and are subject to different risks and returns, their aggregation does not align with the principles set out in Ind AS 108. The lack of appropriate segment reporting may impact the users' ability to assess the financial performance, profitability, and risk profile of each business segment individually. As a result, the Standalone financial statements do not provide sufficient information to enable a proper evaluation of the Company's performance across its operating segments.



We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter Paragraph:**

Without qualifying our opinion, we draw attention to the following matters in the Standalone Financial Statements:

1. Refer Note No. 64, the supplementary Audit of C&AG for the FY: 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23 is yet to be completed and thus, same are yet to be adopted by the members in Annual General Meeting. As the Financial statements along with independent auditors' report of the corporation for the FY: 2022-23 are yet to be adopted by the members in AGM, (corporation submitted the same to CAG for supplementary Audit only on 04-Feb-2025), the comparative figures for previous year 2022-23 which are provided in the current year financial statements are unadopted.
2. Refer Note No. 45, the company has paid an amount of Rs. 30.54 Cr against outstanding balances pertaining to sand operations, which was carried over from the previous year financials on which previous auditors have issued a disclaimer of opinion.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key audit matters as per SA 701, are not applicable to the company as it is an Unlisted company.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

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

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



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

The Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Other Matters:**

1. APMDC has completed its migration to a new ERP system (Dynamics 365) during the year. However, no independent audit was conducted to verify the accuracy, completeness, and integrity of data migration, system controls and its effectiveness, and reconciliation with previous records.
2. Note 14 (Other Current Assets) of the accompanying Standalone financial statements primarily comprises of GST Input Tax Credit (ITC) receivables representing accumulation of ITC due to inverted duty structure & RCM applicable on royalty. Management estimates to utilize this accumulated ITC in future for payment of Output GST based on various factors such as volume increase and price revisions, change in business operation model (i.e., departmental capabilities in place of outsourcing), changes in output GST Rate, diversification of business etc., However, the scale and magnitude of GST ITC accumulation by the company in recent years is significant (Rs. 256 Cr as on 31-Mar-2024 as compared to Rs.120 Cr as on 31-Mar-2023). With the company not having any departmental operations and the fact that, the entirety of the mining operations outsourced, the anticipated use of the GST ITC by the management may not align with the estimates, potentially necessitating write-offs which can have a substantial impact on the profit.

Our opinion is not modified in respect of these matters.



### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required under Section 143(5) of the Companies Act 2013, we give in "Annexure B" a statement on the directions and sub-directions issued by the Comptroller and Auditor General of India, action taken thereon and the impact on the accounts and Standalone financial statements of the Company, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us.
3. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought, except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph, and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
  - d) Except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
  - e) Being a Government Company, pursuant to Notification No. GSR 463(E) dated 15-Jun-2015 issued by Government of India, Provisions of clause (g) of sub-section (3) of section 143 of the Companies Act 2013 are not applicable to the Company.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.
  - g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on cash flows of the Company.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.





i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. Due to qualification stated at Para No. 12 of the Basis of Qualified Opinion, we are unable to comment on whether the Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
- ii. In our opinion and as per the information and explanations provided to us, the Company did not have any long-term contracts, requiring provisions under applicable laws or accounting standards, for material foreseeable losses.
- iii. There are no amounts which are required to be transferred to 'Investor Education and Protection Fund' by the company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.
- v. As stated by the company in Note 65 of the accompanying Standalone Financial Statements & due to the qualification stated in Para No. 11 of the Basis of Qualified Opinion, we are unable to ascertain whether the interim dividend declared by the company is as per the provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.

Further, out of the interim dividend declared amounting to Rs. 1000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.

The Final dividend for the FY: 2022-23 & FY: 2023-24 is not yet proposed by the board of Directors, as on the date of the Audit Report.



- vi Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921BMLEAZ3052



For M. N. Rao & Associates

Chartered Accountants

Firm Reg. No: 0053865

*Satish Kumar*

(Ch. Satish Kumar)

Partner

Membership No.: 229921

Encl.: Annexure A, B and C to the Audit Report

**Annexure - A to the Independent Auditors' Report**

*(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2024.)*

We report that:

1. In respect of Company's Property, Plant and Equipment, right-of-use (ROU) assets and Intangible Assets:
  - a) The Company has not maintained proper records showing full particulars such as location, asset identification number, state of the asset, quantity, etc., of property, plant and equipment and right-of-use (ROU) assets.
  - b) The Company has not maintained proper records showing full particulars of intangible assets.
  - c) There is no documented policy / laid down procedures for conducting physical verification of Property, Plant and Equipment. Hence, we are unable to comment on the process of physical verification of Property, Plant and Equipment by the company.
  - d) Reference is drawn to the Para 3 of the Basis of our qualified opinion where it is mentioned that proper records of Property, Plant and Equipment were not maintained. In the absence of adequate information, we were unable to comment whether the title deeds of the immovable properties held as on 31-Mar-2024 were in the name of the company. However, we were able to verify the lands acquired during the year and the possession certificates / Letter of Award / Letter of Alienation were available on record.
  - e) The company has not revalued its property, plant and equipment or intangible assets or both during the year. Therefore, the Clause 3(i)(d) of the order is not applicable to the company.
  - f) No proceedings have been initiated during the year or are pending against the company as at 31-Mar-2024 for holding any benami property under the Benami Transaction Prohibition Act 1988. Therefore, the Clause 3(i)(e) of the Order is not applicable to the Company.
2. In respect of inventory
  - a) Reference is drawn to Para 13 of the Basis of our Qualified Opinion & according to the information and explanations furnished to us, physical verification of inventory has not been conducted at reasonable intervals by the Management. Hence, the coverage and procedure of physical verification of inventory is not being followed by the management.
  - b) The company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns / stock statements, were not filed by the company.
3. According to the information and explanations given to us, the Company has not maintained register as prescribed under Section 189 of Companies Act, 2013 and hence we are unable to report on the reporting requirements as specified in Clause (iii) of the Paragraph 3 of the Order.

4. As per Notification GSR 463 (E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable as it is a Government Company and if such company obtains approval of the Ministry or Department of the Central Government which is administratively in charge of the company or as the case may be the State Government before making any loan or giving any guarantee or providing any security under the section. As per our verification of the records, the loans given by the company were in accordance with the GOs received from the administrative department of the State Government and hence, the Company is compliant with the provisions of section 185 and 186 of the Act.
5. Reference is drawn to para 11 of the Basis of our qualified opinion in the audit report, where we are unable to determine whether the amounts qualify as deposits under Companies (Acceptance of Deposits) Rules, 2014 and hence the compliance with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 could not be ascertained.
6. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not made detailed examination of the records with the view to determine whether they are complete.
7. a. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including Employees Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other material statutory dues as applicable with appropriate authorities except for dues towards tax deducted at source under Income Tax Act, tax deducted at source under GST which are as tabulated below. Further, few statutory dues such as District Mineral Foundation, Merit and Cess could not be paid on account of non-availability of payment portal.

Sl.no	Name of Statute	Nature of Dues	Period to which amount relates	Amount in Rupees
1	Income Tax Act	TDS	2019-20	8,32,824
2	Central Goods and Services Tax, Act	TDS	2019-20	1,29,16,730
3	Mines and Minerals (Development Regulation Act)	District mineral foundation	2016-17 to 2019-20	13,71,60,972
4	Mines and Minerals (Development Regulation Act)	Merit	2016-17 to 2019-20	94,19,538
5	Mines and Minerals (Development Regulation Act)	Cess	2016-17 to 2023-24	29,38,31,864
6	Mines and Minerals (Development Regulation Act)	Royalty from Sub leaseholders	2018-19 to 2023-24	24,88,497



- (b) According to the information and explanations given to us, the following Statutory dues have not been deposited by the company on account of disputes:

Sl. no	Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount In Rupees
1	Income Tax Act	Demand	ITAT	2011-12(A.Y)	5,49,46,047
2	Income Tax Act	Demand	ITAT	2012-13	1,10,70,279
3	Income Tax Act	Demand	ITAT	-	27,31,630
4	Income Tax Act	Demand	CIT Appeals	2016-17(A.Y)	36,55,65,643
5	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	1998-99 1999-00 2000-01	2,87,647 3,36,253 5,08,165
6	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale-Penalty	Tribunal	2007-08	3,92,913
7	VAT/Sales Tax	Tax on Explosive-2 <sup>nd</sup> Sale and consideration Penalty Interest	Tribunal	2008-09 2008-09 2008-09	1,00,47,014 33,49,005 6,02,821
8	VAT/Sales Tax	Consideration Penalty	Tribunal	2009-12 2009-12	2,32,95,681 83,61,030
9	VAT/Sales Tax	Consideration from Joint Venture & Other Receipts	Appellate Tribunal (Tirupati)	2020-21	6,64,38,807
10	CST APPELLATE Authority	H-Form's	CST Appellate Visakhapa tnam	2022-23	3,74,39,288
11	CESTAT	Service tax on Seigniorage	CESTAT Hyderabad	2021-22	7,77,63,051
12	CESTAT	Penalty on service tax on Seigniorage	CESTAT Hyderabad	2021-22	7,77,63,051

The aforesaid details are provided based on the information provided by the management and could not be verified by us due to absence of adequate information and records.

We also draw attention to Para 10 & Para 12 of the Basis of our Qualified Opinion.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) is not applicable. We also draw attention to Para 10 of the Basis of Qualified Opinion.
9. a. According to the information and explanations give to us and on the basis of our examination of the records of the Company, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to the lenders.





- b. The Company has opened current accounts in non-lending banks which is not permitted as per the terms of sanction of working capital loans and the company has not obtained NOC from the lending bank as on date to open current accounts in other banks.
  - c. According to the information and explanations give to us by the management, in our opinion, term loan availed by the Company were applied by the Company for the purposes for which the loans were obtained.
  - d. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e. The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates and joint ventures and hence reporting under Clause 3(ix) (e) of the order is not applicable.
  - f. The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures and hence reporting under Clause 3(ix) (f) of the order is not applicable.
10. a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- b. During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Hence, reporting under Clause 3(x)(b) of the Order is not applicable.
11. a. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- b. No Audit Report in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed with Central Government in terms of provisions of sub section 12 of Section 143 of the Companies Act during the year under report.
- c. According to the information and explanations given to us, no whistle blower complaint has been received by the company during the year.
12. The Company is not a Nidhi company and hence reporting under Clause 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. a. In our opinion, the Company has an internal audit system which is inadequate and not commensurate with the size and nature of its business.
- b. We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence reporting under Clause(xv) of the Order is not applicable.
16. a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the futures viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. a. There are no unspent amounts towards Corporate Social Responsibility (CSR) that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year
- b. The company is not carrying on any CSR activities towards ongoing projects and hence the reporting under clause (3)(xx)(b) of the order is not applicable for the year under report.
21. Based on our review of the audit reports received by us in respect of four Joint Ventures and according to the information and explanations given to us in respect of other subsidiaries, joint ventures and associates, included in the consolidated financial statements of the Company, where reporting on matters specified in paragraph 3 and 4 of the Order is applicable, and based on the identification of any qualifications or adverse remarks in their Companies (Auditor's Report) Order, 2020 reports by the respective component auditors, we report that no qualifications or adverse remarks have been reported by the auditors of such companies in their CARO reports.

Place: Vijayawada  
Date: 05-Feb-2025



For **M. N. RAO & ASSOCIATES**  
**Chartered Accountants**  
Firm Reg. No: 005386S

*Satish Kumar*

(Ch. Satish Kumar)  
Partner

Membership No.: 229921  
UDIN: 25229921 BMLEAZ 3052



**Annexure-B to the Independent Auditors' Report**

*(Referred to in paragraph 2 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2024)*

**Report on Directions & Sub-Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics ERP. However, many areas have not been covered under the ERP such as Accounting of Inventory, Payroll, Stores Consumption, Depreciation etc which are manually maintained  We draw attention to Para 1 of the Other Matters section of our Audit Report, in respect of ERP Migration during the year
2.	Whether there is any restructuring of an existing loan or cases of waiver /write off of debts/loans/ interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanations given to us and based on our examination of the records of the Company there has been no restructuring/ waiver/write off of any existing loan taken by the Company. As such there is no financial impact involved
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such Funds have been received / receivable for specific schemes from central / state agencies
<b>B. Sub-Directions</b>		
1.	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received utilized returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centlage realized on these works, with full quantitative details may be detailed	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies
2.	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies.  a) Where grants are taken as revenue for the year whether the concerned orders are clear that the funds can be utilised for revenue expenditure.	According to the information and explanations given to us and on the basis of our examination of the records of the company there are no grants received by the corporation from Central or State government(s)/ other user department(s) or their agencies.



	b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease).	There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Company has been maintaining Public Deposit Account vide PD DDO Code: 27002403004 and there are no transactions in the PD account during the FY: 2023-24.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been received by APMDC during the year.</p> <p>c) During the year company has not deposited any amount in PD Account.</p> <p>d) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-Mar-2024.</p>





6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no funds which have been raised by the company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly.
7	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	Reference is invited to Para 13 of the Basis of Qualified Opinion in the Audit Report.
9	Whether the cost incurred on abandoned projects has been written off?	We draw attention to Note 57, where corporation has made doubtful provision of Rs 23.94 Cr for the Upfront Fee regarding Madanpur South Coal Mine written off during FY 2022-23
10	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported	According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not received any amounts for projects/schemes.
11	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalized and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of Information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion para 1, we are unable to comment upon the same.  We also draw attention to Note 4B in the accompanying financial Statements.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	We are unable to comment upon the same as we have not visited the mine. As per the representation provided by the management, they are in compliance with stipulated norms.
13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has obtained the requisite statutory compliances that was required under mining and environmental rules and regulations.





14.	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Reference is invited to Para 14 & 15 of the Basis of Qualified Opinion in the Audit Report.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified	According to the information and explanations given to us and on perusal of the mining plans submitted to us, the company has not disbanded or discontinued any mines during the year.
16.	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	Reference is invited to Para 14, 15 & 17 of the Basis of Qualified Opinion in the Audit Report.

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921BMLEA23052



For M. N. Rao & Associates

Chartered Accountants

Firm Reg. No: 005386S

*Satish Kumar*

(Ch. Satish Kumar)

Partner

Membership No.: 229921



### **Annexure - C to the Independent Auditors' Report**

(Referred to in paragraph 3(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited on the financial statements for the year ended March 31, 2024)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Disclaimer of Opinion:

According to the information and explanations given to us, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2024.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of Financial Statements of the company, and the disclaimer does not affect our opinion on the Financial Statements of the Company.

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921 BMLEAZ3052

For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S  
  
  
(Ch. Satish Kumar)  
Partner  
Membership No.: 229921

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone balance sheet as at March 31, 2024**  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Property, plant and equipment	3	7,210	8,121
(b) Right-of-use assets	3.1	133	102
(c) Capital work in progress	3.2	556	914
(d) Intangible assets	3.3	1,95,406	1,56,987
(e) Intangible assets under development	3.4	8,906	6,315
(f) Financial assets			
(i) Investments	4	500	370
(ii) Loans	5	383	338
(iii) Other financial assets	6	6,665	99,399
(g) Deferred tax assets (net)	7	-	231
(h) Other non-current assets	8	43,576	62,963
<b>Total non-current assets</b>		<b>2,63,434</b>	<b>3,35,772</b>
<b>2) Current assets</b>			
(a) Inventories	9	20,731	18,482
(b) Financial assets			
(i) Trade receivables	10	74,564	37,477
(ii) Cash and cash equivalents	11	28,899	39,871
(iii) Other bank balances	11	66,737	63,705
(iv) Loans	12	30,076	30,131
(v) Other financial assets	13	1,038	5,043
(c) Other current assets	14	29,480	16,775
<b>Total current assets</b>		<b>2,51,521</b>	<b>2,11,484</b>
<b>TOTAL ASSETS</b>		<b>5,14,956</b>	<b>5,47,256</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity share capital	15	631	631
(b) Other equity	16	2,99,373	3,23,139
<b>Total equity</b>		<b>3,00,004</b>	<b>3,23,770</b>
<b>Liabilities</b>			
<b>2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	55,974	49,045
(ii) Lease liability		-	-
(iii) Other financial liabilities	18	6,131	36,547
(b) Provisions	19	9,453	10,912
(c) Deferred tax liability (net)	7	12,663	-
(d) Other non-current liabilities	20	254	254
<b>Total non-current liabilities</b>		<b>84,475</b>	<b>95,849</b>
<b>3) Current liabilities</b>			
(a) Financial liabilities			
(i) Short-term Borrowings	21	15,498	10,830
(ii) Lease liability	22	134	113
(iii) Trade payables	23	19,117	18,468
(iv) Other financial liabilities	24	25,015	37,824
(b) Other current liabilities	25	57,943	44,976
(c) Current tax liabilities	26	14,453	15,507
<b>Total current liabilities</b>		<b>1,30,477</b>	<b>1,27,637</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,14,956</b>	<b>5,47,256</b>
<b>Notes to Financial statements</b>	1-68		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors

For M&RAD & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*MK*  
 Mukesh Kumar Mishra  
 Managing Director  
 DIN: 01332553

*G. Rama Subbaiah*  
 G. Rama Subbaiah  
 Director  
 DIN: 00923409

*Tham*  
 T. V. S. Prasad Kumar  
 General Manager - F&A



Place: Vijayawada

Date: February 05, 2025

UDIN:- 25129921BMLEAZ3052



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Standalone statement of profit and loss for the year ended March 31, 2024**  
A.I amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	27	3,84,059	2,10,191
II Other income	28	12,890	9,930
III Total income (I+II)		3,96,949	2,20,121
IV Expenses			
Change in inventories of finished goods	29	(2,207)	(9,678)
Employee benefits expense	30	5,254	5,164
Finance costs	31	7,678	8,550
Depreciation and amortization expense	32	21,152	3,516
Power and fuel	33	870	948
Excavation and transport charges	34	1,09,889	76,271
Other expenses	35	1,10,757	53,716
Total expenses (IV)		2,53,393	1,38,486
V Profit before tax (III-IV)		1,43,556	81,634
VI Tax expense/(benefit)			
Current tax	36	24,563	19,640
Deferred tax	36	12,874	2,212
Total tax expense/ (benefit) (VI)		37,438	21,852
VII Profit for the year (V-VI)		1,06,119	59,782
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re-measurement of post-employment benefit obligations)		(15)	(324)
(ii) Income tax on above items		-	-
Total other comprehensive income for the year (VIII)		(15)	(324)
IX Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the Year) (VII+VIII)		1,06,104	59,459
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
• Basic (Rs.)	42	1,68,276.58	94,799.44
• Diluted (Rs.)		1,68,276.58	94,799.44
Notes to financial statements	1-68		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No. 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*MV*  
Mukesh Kumar Meena

Managing Director

DIN: 01232593

*G. Rama Subbaiah*

G. Rama Subbaiah

Director

DIN: 10915409

*Thani*

V.V.V. Phani Kumar

General Manager - F&A



Place : Vijayawada

Date : February 05, 2025

UDIN :- 25229921BMLEAZ-3052-



**The Andhra Pradesh Mineral Development Corporation Limited**

Statements of changes in equity for the year ended March 31, 2024

**A. Equity share capital**

(Rs. in Lakhs)

Particulars	No of Shares	Amount
Balance as at April 1, 2022	63,062	631
Changes in equity share capital during 2022-23	-	-
Balance as at April 1, 2023	63,062	631
Changes in equity share capital during 2023-24	-	-
Balance as at March 31, 2024	63,062	631

**B. Other equity**

(Rs. in Lakhs)

Particulars	Reserve and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2022	110	1,531	17,050	2,04,835	(57)	(19)	(30)	2,63,920
Profit for the year	-	-	-	59,782	-	-	-	59,782
Free ride equity shares in joint Ventures	260	-	-	-	-	-	-	260
Other comprehensive income for the year	-	-	-	-	-	(324)	-	(324)
Total comprehensive income for the year	260	-	-	59,782	-	(324)	-	59,719
Transfer to reserve for bad and doubtful debts	-	616	-	(616)	-	-	-	-
Balance as at March 31, 2023	370	2,147	17,050	3,04,001	(57)	(343)	(30)	3,23,339
Free ride equity shares in joint Ventures	130	-	-	-	-	-	-	130
Profit for the year	-	-	-	1,06,119	-	-	-	1,06,119
Other comprehensive income for the year	-	-	-	-	-	(15)	-	(15)
Total comprehensive income for the year	130	-	-	1,06,119	-	(15)	-	1,06,234
Interim Dividend (FY 2023-24)	-	-	-	(90,000)	-	-	-	(90,000)
Interim Dividend (FY 2022-23)	-	-	-	(40,000)	-	-	-	(40,000)
Transfer to reserve for bad and doubtful debts	-	2,741	-	(2,741)	-	-	-	-
Balance as at March 31, 2024	500	4,888	17,050	2,72,379	(57)	(358)	(30)	2,99,373

As per our report of even date

For and on behalf of the Board of Directors

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

*Satish Kumar*  
Ch. Satish Kumar  
Partner  
Mem No. 229921



*Mukesh Kumar Meena*  
Mukesh Kumar Meena  
Managing Director  
DIN: 01232593

*E. Rama Subbala*  
E. Rama Subbala  
Director  
DIN: 10915409

*V.V.V. Phani Kumar*  
V.V.V. Phani Kumar  
General Manager - F&A



UDIN:- 25229921BMLEAZ3052

Place: Vijayawada  
Date: February 05, 2025

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the year ended March 31, 2024  
 All amounts are in Rs. Lakhs, unless otherwise stated.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	1,41,556	81,634
Adjustments for:		
Interest expense	6,874	7,003
Unwinding of discounting on provisions	304	701
Interest income	(11,608)	(9,470)
Depreciation and amortisation expense	21,152	3,516
Dividend income	(165)	(110)
Provision for bad & doubtful advances	2,571	3,145
Bad & doubtful debts	476	-
Assets written off	-	662
Liabilities no longer required written back	(71)	(54)
Operating profit before working capital changes	1,63,599	87,028
Adjustments for:		
Increase/decrease in trade payables	969	7,144
Increase/decrease in provisions	(3,878)	(3,241)
Increase/decrease in other financial liabilities	(45,062)	2,347
Increase/decrease in other liabilities	13,017	38,326
Decrease/increase in trade receivables	(37,564)	(10,756)
Decrease/increase in inventories	(3,749)	(9,686)
Decrease/increase in other assets	6,582	(30,798)
Decrease/increase in other financial assets	96,739	(10,254)
Cash generated from operations	1,92,153	70,706
Direct taxes paid (net of refunds)	25,617	4,575
Net cash flow from/(used in) operating activities (A)	1,66,536	66,131
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, Intangible assets, including intangible assets under development, CWIP and capital advances	(60,871)	(21,434)
Movements in other bank balances	(3,028)	(10,600)
Loans to staff	10	274
Interest received	11,608	5,470
Dividend income	165	110
Proceeds from sale of NSC bonds	-	36
Net cash flow from/(used in) investing activities (B)	(52,117)	(42,144)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	11,617	9,783
Interest paid	(6,874)	(7,003)
Payment of lease liability	(155)	(129)
Dividends paid including interim dividend	(1,30,000)	-
Net cash flow from/(used in) financing activities (C)	(1,25,392)	2,151
Net increase/decrease in cash and cash equivalents (A+B+C)	(10,973)	26,138
Cash and cash equivalents at the beginning of the year	39,871	13,734
Cash and cash equivalents at the end of the year	28,899	39,872
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	1
Balances with scheduled banks	-	-
With current accounts	28,898	39,871
Total cash and cash equivalents (Note 11)	28,899	39,871

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicates outflow

b. The Cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report of even date

For and on behalf of the Board of Directors

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

Satish Kumar

Ch. Satish Kumar

Partner

Mem No. 229921



Mukesh Kumar Meena G. Rama Subbalakshmi

Managing Director Director

GTN: 21232593 DIN: 10515409

V.V.V. Phani Kumar

General Manager - F&A



Place : Vijayawada

Date : February 05, 2025 UDIN: 25229921 BMLEAZ-3052

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral-based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamaluru Mandal, Vijayawada, Andhra Pradesh-521137.

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

#### b. Basis of preparation

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and defined benefit and other long term employee benefits that have been measured at fair value as required by relevant Ind AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise

#### d. Use of Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period.



Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

### **Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

### **Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.





### iii. Dividend

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

### iv. Interest Income

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### g. Property, plant and equipment

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.



Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining assets are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

#### **i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.



**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 53).

**m. Employee benefits**

**Short term employee benefit obligations**

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



The liabilities are presented as current employee benefit obligations in the balance sheet.

#### **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

#### **Defined Benefit Plan**

The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet.



Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.





Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

The company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The



provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the



commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.



**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

**i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.



The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

**ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.





**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the



cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.



**The Andhra Pradesh Mineral Development Corporation Limited**

**Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use assets for the year ended March 31, 2024**

Note - 3

(Rs. in Lakhs)

**Property, Plant And Equipment For The Year ended 31 03, 2024**

Particulars	Gross Block			Depreciation Block				Net Block			
	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Impairment Loss "	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2024	Net block as at March 31, 2024	Net block as at March 31, 2023
Land	5,536	132	-	5,668	-	-	-	-	-	5,668	5,536
Quarries & Fucio Constructions	433	15	-	448	266	18	-	-	284	154	167
Mining Equipment	777	-	-	777	587	25	-	-	613	109	135
Furniture & Fixtures	194	135	-	329	149	33	-	-	182	147	45
Office Equipment	259	17	-	276	128	51	-	-	179	97	31
Data Processing Equipment	247	76	-	323	238	70	-	-	308	65	39
Vehicles	327	-	-	327	194	39	-	-	233	94	131
Tanks & Huts	112	15	-	127	57	57	-	-	114	40	51
Plant & Machinery	1,477	203	-	1,679	1,506	396	474	-	1,806	974	1,971
Resehold building	255	-	-	255	242	-	-	-	242	13	13
Total	11,637	593	-	12,229	3,466	639	914	-	5,019	7,210	8,171
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
Total	11,637	593	-	12,229	3,466	639	914	-	5,019	7,210	8,171
Previous year - 2022-23	8,644	2,962	12	11,637	2,999	476	-	10	1,466	8,171	5,687

As per directions of the Government of AP, corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasham, Chittoor, Ananthapuram and Srisakulam for supply of survey stones to the SSB&R department, Government of AP and engaged contractors on turnkey basis. Out of the four units, Ballikurava unit in Prakasham district has commenced operations in the year 2022-2023 and started production in the month of August, 2023. In view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Accordingly, an amount of Rs.914 Crores has been recognised as an impairment costs.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Disposal / Adjustments / Transfer	Accumulated Depreciation as at March 31, 2024	Net block as at March 31, 2024	Net block as at March 31, 2023
Right of use asset	274	199	274	169	171	140	274	17	133	102
<b>Total</b>	<b>274</b>	<b>199</b>	<b>274</b>	<b>169</b>	<b>171</b>	<b>140</b>	<b>274</b>	<b>17</b>	<b>133</b>	<b>102</b>
Previous year - 2022-23	333	186	245	274	290	119	239	121	102	42



**Note 3.2 Capital work in progress**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	914	1,144
Add: Additions during the year	539	5,435
Less: Transferred to Property, Plant & Equipment	193	5,665
Closing Gross Carrying Value	1,261	914
Accumulated Impairment Allowance		
Balance at the beginning of the year	-	-
Add: Additions during the year	705	-
Closing Accumulated Impairment Allowance	705	-
Closing net carrying value	556	914

**Capital work in progress Ageing Schedule as at 31.03.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	216	140			556
Projects temporarily suspended	130	356	209		705

**Capital work in progress Ageing Schedule as at 31.03.2023**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	705	209			914
Projects temporarily suspended	-	-	-	-	-

As per directions of the Government of AP, Corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Anantapuram and Srikakulam for supply of curvey stones to the SS&R department, Government of AP and finished contractors on turnkey basis. Out of the four units, Balakrishna unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining Three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs 705.00 lakhs has been recognised as an impairment costs.

**3.3 Intangible Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software	345	2
Decommissioning Assets	5,570	8,081
Winning Infrastructure Assets	1,54,642	1,48,905
Winning Infrastructure Assets - R&R - Mpet	11,349	-
<b>Total</b>	<b>1,95,406</b>	<b>1,56,987</b>

**A. Computer Software**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	34	34
Add: Additions during the year	380	0
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	422	34
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	12	31
Add: Additions during the year	45	1
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	77	32
Net carrying value	345	2

**B. Decommissioning Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	8,345	8,345
Add: Additions during the year	-	0
Less: Disposals/ adjustments/transfer	1,161	-
Closing Gross Carrying Value	7,184	8,345
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	764	83
Add: Additions during the year	349	175
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	613	264
Net carrying value	6,570	8,081



C.Mining Infrastructure Assets		
Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	1,51,578	1,36,100
Add: Additions during the year	13,434	15,578
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	1,65,112	1,51,678
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	2,774	29
Add: Additions during the year	7,536	2,744
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,470	2,774
Net carrying value	1,54,642	1,48,905

Corporation has incurred an amount of Rs 1,51,678 lakhs till the end of previous financial year on its Suliari coal mine project and same has been capitalised under mining infrastructure assets. Additionally, during the current year an amount of Rs 13,434 lakhs has been capitalised and amortised based on the unit of production method.

#### D.Mining Infrastructure - R&R - Mpet

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	-	-
Add: Additions during the year	44,513	-
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	44,513	-
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	10,664	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,664	-
Net carrying value	33,849	-

Corporation has paid an amount of Rs 44,513 lakhs from time to time to the district administration towards R&R costs in connection with the Mangampet barytes project. During the year, this amount has been capitalised under intangible assets - R&R Mangampet and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.

#### 3.4 Exploration Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	6,316	4,031
Add: Additions during the year	2,590	2,945
Less: Disposals/ adjustments/transfer	-	660
Closing Gross Carrying Value	8,906	6,316
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	-	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	-	-
Net carrying value	8,906	6,316

#### Exploration Intangible assets under development Ageing schedule as at 31.03.2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,285	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration Intangible assets under development					8,906

#### Exploration Intangible assets under development Ageing schedule as at 31.03.2023

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,285	4,031	-	-	6,316
Projects temporarily suspended	-	-	-	-	-
Total Exploration Intangible assets under development					6,316





The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at March 31, 2024	As at March 31, 2023
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s.APMDC - SCCL suriyar coal company limited		
	5,100 equity shares (March 31, 2024: 5,100) of Rs 10/- each	1	1
	fully paid up	(1)	(1)
	Less: Provision made for diminution in the value of shares		
	ii. M/s. Nuzgaon coal company limited		
	3,000 equity shares (March 31, 2024: 3,000) of Rs 100/- each	60	60
	fully paid up	(60)	(60)
	Less: Provision made for diminution in the value of shares		
	iii. M/s.Andhra phosphate (P) Ltd		
	1,110 equity shares (March 31, 2024: 1,100) of Rs.1,000/-	11	11
	each fully paid up	(11)	(11)
	Less: Provision made for diminution in the value of shares		
	iv. M/s.Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2024: 56,100) of Rs 10/- each	6	6
	fully paid up	(6)	(6)
	Less: Provision made for diminution in the value of shares		
	Investment in Associates		
	v. M/s. Aswani mineral development private limited.		
	65,000 equity shares (March 31, 2024: 65,000) of Rs 10/- each	7	7
	fully paid up	(7)	(7)
	Less: Provision made for diminution in the value of shares		
	vi. M/s SPAP minerals private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each	33	33
	fully paid up	(33)	(33)
	Less: Provision made for diminution in the value of shares		
	vii. M/s. Arham mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each	13	13
	fully paid up	(13)	(13)
	Less: Provision made for diminution in the value of shares		
	viii. M/s. Isha mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each	13	13
	fully paid up	(13)	(13)
	Less: Provision made for diminution in the value of shares		
	ix. M/s. Mangasree granites private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each	13	13
	fully paid up	(13)	(13)
	Less: Provision made for diminution in the value of shares		
	x. M/s. Ongole mineral exports private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each	33	33
	fully paid up	(33)	(33)
	Less: Provision made for diminution in the value of shares		
	xi. M/s. RLP granite private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each	33	33
	fully paid up	(33)	(33)
	Less: Provision made for diminution in the value of shares		
	xii. M/s.A.P coastal sands & metals private limited.,		
	11,000 equity shares (March 31, 2024: 11,000) of Rs 10/- each	1	1
	fully paid up	(1)	(1)
	Less: Provision made for diminution in the value of shares		
	xiii. M/s.Andhra Pradesh tribal mining private limited		
	28,600 equity shares (March 31, 2024: 28,600) of Rs 10/- each	3	3
	fully paid up	(3)	(3)
	Less: Provision made for diminution in the value of shares		

ix. Sanyuktha Granites Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
x. Naandni Granites, Indus Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
xi. Shanibhavi stones AP Private limited (Refer note.58) 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	
Investment in Joint Ventures		
ix. M/s A.P granites (midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110	110
xii. M/s Alliance A.P. black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xix. M/s Pallavared granite private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xx. M/s. Gieropa AP barytes beneficiation private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xiii. M/s. Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xiv. M/s. Ancho Pradeshtin ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xv. M/s. Thorex baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xvi. M/s Y.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
Investments measured at amortised cost		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	500	370
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	500	370
Aggregate amount of unquoted investments	576	576
Aggregate amount of impairment	71	71
Aggregate Provision made for doubtful investment		



5	Loans (Non-current)	As at March 31, 2024	As at March 31, 2023
	Loans and advances to employees		
	Unsecured, considered good	383	338
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>383</b>	<b>338</b>
6	Other financial assets (Non-current)	As at March 31, 2024	As at March 31, 2023
	Security Deposits		
	Unsecured, considered good	257	136
	Unsecured, considered doubtful	93	93
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>257</b>	<b>236</b>
	Balance in current accounts (Frozen)	204	198
	Bank Deposits with more than 12 months maturity	4,450	97,603
	Sweep accounts		809
	Deposit in Bank under Mine Closure account	1,754	554
	Unsecured, considered doubtful		
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>6,665</b>	<b>99,399</b>
Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened. During the current financial year an aggregate amount of Rs. 12.00 crores has been deposited totalling to Rs 37.54 crores at the year end and no interest has been received during the year.			
7	Deferred tax liability (Net)	As at March 31, 2024	As at March 31, 2023
	Deferred tax asset		
	Provision for decommissioning costs	2,353	2,672
	Provision for lease liability / assets	0	3
	Provision for bad & doubtful debts, investments & advances	3,441	2,819
	<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,257	1,879
	Investment	85	85
	Mining Infrastructure asset	8,607	3,119
	Mining Infrastructure Assets - R&R - Mpet	8,519	
	<b>Total deferred tax liability</b>	<b>18,468</b>	<b>5,083</b>
	<b>Net deferred tax (asset)/liability</b>	<b>12,663</b>	<b>(211)</b>
8	Other non-current assets	As at March 31, 2024	As at March 31, 2023
	A) Capital advances		
	Unsecured, considered good	2,696	2,394
	Unsecured, considered Doubtful	2,654	260
	Less: Provision for doubtful advances	(2,654)	(260)
	<b>Total</b>	<b>2,696</b>	<b>2,394</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,075	22,736
	Unsecured, considered Doubtful	5,112	4,935
	Less: Provision for doubtful advances	(5,212)	(4,935)
	<b>Total</b>	<b>14,075</b>	<b>22,736</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	26,257	31,812
	Unsecured, considered Doubtful	1,882	1,988
	Less: Provision for doubtful advances	(1,982)	(1,988)
	<b>Total</b>	<b>26,257</b>	<b>31,812</b>
	D) Prepaid expenses	648	-
	<b>Total (A+B+C+D)</b>	<b>43,676</b>	<b>62,962</b>



9	Inventories	As at March 31, 2024	As at March 31, 2023
	Finished goods (Refer Note 53)	10,606	18,397
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	135	93
	<b>Total</b>	<b>20,731</b>	<b>18,482</b>
	Method of valuation: Refer Note no. 2(i) of Financial accounting policies		
10	Trade receivables (Current)	As at March 31, 2024	As at March 31, 2023
	Unsecured, considered good	13,843	55,760
	Unsecured, considered credit impaired	3,417	5,524
	Less: Impairment allowance for doubtful debts	(13,417)	(3,524)
	Unbilled Receivables	721	4,217
	<b>Total</b>	<b>74,564</b>	<b>37,477</b>
	Refer Note no 61		
11	Cash and cash equivalents	As at March 31, 2024	As at March 31, 2023
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	28,898	39,871
	Cash on hand	1	1
	(A)	<b>28,899</b>	<b>39,871</b>
	Other bank balances		
	Fixed deposits against bank guarantees	11,233	8,706
	Deposits with APSPFPI	55,500	55,500
	(B)	<b>66,733</b>	<b>63,705</b>
	<b>Total</b>	<b>95,632</b>	<b>1,03,576</b>
12	Loans (current)	As at March 31, 2024	As at March 31, 2023
	Vehicle loans to staff		
	Secured, considered good	14	27
	Unsecured, considered good		
	Loan to AP state Fisheries Limited & Machilipatnam Urban Development Authority. Refer Note: 49 & 50	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	62	109
	<b>Total</b>	<b>30,076</b>	<b>30,131</b>
13	Other Financial assets (Current)	As at March 31, 2024	As at March 31, 2023
	Interest accrued on deposits		
	Unsecured, considered good	1,283	5,287
	Less: Provision for the doubtful portion	(244)	(244)
	<b>Total</b>	<b>1,038</b>	<b>5,043</b>
14	Other current assets	As at March 31, 2024	As at March 31, 2023
	A) Advances receivable		
	Unsecured, considered good	745	604
		<b>745</b>	<b>604</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	27,555	14,215
	Prepaid expenses	940	1,785
	Others	190	150
	<b>Total</b>	<b>28,735</b>	<b>16,171</b>
	<b>Total</b>	<b>29,490</b>	<b>16,775</b>



15	Equity share capital	As at March 31, 2024	As at March 31, 2023
	Authorized share capital: 1,00,000 equity shares of Rs 1,000/- each (March 31, 2024 - 1,00,000 equity shares of Rs 1,000/- each)	1,000 1,000	1,000 1,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs 1,000/- each fully paid up (March 31, 2024 - 63,062 equity shares of Rs 1,000/- each)	631 631	631 631
<b>15.1 Additional notes</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at March 31, 2024	As at March 31, 2023
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year	-	-
	Shares outstanding at the end of the year	63,062	63,062
<b>15.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>15.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the share holder	As at March 31, 2024	As at March 31, 2023
	Governor of the Andhra Pradesh represented by assistant secretary to Government (Mines) Industries & Commerce department	63,059 (99.995%)	63,059 (99.995%)
<b>15.4 Details of Shareholding of Promoters</b>			
	Name of the share holder	As at March 31, 2024	As at March 31, 2023
	Governor of the Andhra Pradesh represented by Assistant secretary to Government (Mines) Industries & Commerce department	63,059 (99.995%)	63,059 (99.995%)
16	Other equity	As at March 31, 2024	As at March 31, 2023
	Capital reserves		
	Free ride equity shares for consideration other than cash allotted by		
	i. M/s. Aswani mineral development private limited 65,000 equity shares (March 31, 2024 - 65,000) of Rs 10/- each Fully paid up	7 7	7 7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	ii. M/s. SR&P minerals private limited 3,25,000 equity shares (March 31, 2024 - 3,25,000) of Rs 10/- each Fully paid up	33 (33)	33 (33)
	Less: Provision made for diminution in the value of shares		
	iii. Aisham mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs 10/- each Fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	iv. Aisham mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs 10/- each Fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	v. Megha-ee grandes private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs 10/- each Fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		





vi. Ongole mineral exports private limited 3,25,000 equity shares(March 31, 2024- 3,25,000) of Rs. 10/- each fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
vii. R.P granite private limited 3,25,000 equity shares(March 31, 2024- 3,25,000) of Rs. 10/- each fully paid up	33	33
Less: Provision made for diminution in the value of shares	(33)	(33)
viii. M/s A.P granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s Alliance A.P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.10/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
x. M/s Pallavaram granites private limited 1,10,000 equity shares(March 31, 2024- 1,10,000) of Rs. 100/- each fully paid up	110	110
Less: Provision made for diminution in the value of shares	(110)	(110)
xi. M/s A.P coastal sands & metals private limited, 13,000 equity shares(March 31, 2024- 13,000) of Rs. 10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xii. M/s Ongole iron ore mining company private limited 55,100 equity shares(March 31, 2024- 55,100) of Rs. 10/- each fully paid up	6	6
Less: Provision made for diminution in the value of shares	(6)	(6)
xiii. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024- 1,320) of Rs. 10/- each fully paid up	0	0
Less: Provision made for diminution in the value of shares	(0)	(0)
xiv. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024- 8,52,500) of Rs. 10/- each fully paid up	85	85
Less: Provision made for diminution in the value of shares	(85)	(85)
xv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024- 6,850) of Rs. 10/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xvi. M/s Tirumala baryte private limited 4,50,000 equity shares(March 31, 2024- 4,50,000) of Rs. 10/- each fully paid up	45	45
Less: Provision made for diminution in the value of shares	(45)	(45)
xvii. M/s V.V Minerals private limited 1,100 equity shares(March 31, 2024- 1,100) of Rs. 100/- each fully paid up	1	1
Less: Provision made for diminution in the value of shares	(1)	(1)
xviii. Samyutha Granite Private limited 13,00,000 equity shares (March 31, 2024- 13,00,000) of Rs. 10/- each fully paid up	130	130



<p>ix. Kaandhi Granites India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 10/- each fully paid up</p> <p>x. Shambhavi Stones AP Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 10/- each fully paid up</p>	130	130
	130	
	500	370
Other comprehensive income		
Opening balance	(430)	(136)
Other comprehensive income for the year	(15)	(74)
Add/(Less): Transferred from/(to) retained earnings		
Closing balance	(445)	(430)
Reserve for bad and doubtful debts		
Opening balance	2,147	1,531
Add/(Less): Transferred from/ to profit and loss account	2,741	616
Closing balance	4,889	2,147
General reserve		
Opening balance	17,019	17,019
Closing balance	17,019	17,019
Retained earnings		
Opening balance	3,00,072	2,44,266
Add/(Less): Profit for the year	1,06,119	55,782
	4,10,151	3,00,048
Less: Appropriations		
Reserve for bad and doubtful debts	1,741	616
Interim Dividends	1,10,000	
Total appropriations	1,11,741	616
Closing balance	2,77,409	3,00,032
Total	2,99,373	3,23,130

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

17	Borrowings	As at March 31, 2024	As at March 31, 2023
	Rupee Term Loan from Banks - Secured From State Bank of India	55,974	49,075
	Total	55,974	49,075

Term Loan of Rs 918 Crores availed from State Bank of India, Industrial Finance Bank, Guntur with ROI of (MLR+0.25%); 6 months MCLR for Development of Sujyari Chal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on future cash flows of the company. This loan is repayable through monthly installment of Rs 9 crores in 7 years 10 months. The company has been regular in repayment of principal and interest on due dates.



18	Other financial liabilities (Non-current)	As at March 31, 2024	As at March 31, 2023
	Expenses payable against infrastructure development	1,483	1,208
	Deposits	173	173
	Others	4,475	35,166
	<b>Total</b>	<b>6,131</b>	<b>36,547</b>

19	Provisions (Non-current)	As at March 31, 2024	As at March 31, 2023
	Provision for employee benefits		
	Provision for gratuity	65	191
	Provision for others		
	Provision for decommissioning cost *	9,388	9,822
	<b>Total</b>	<b>9,453</b>	<b>10,012</b>

\* Refer Note no 62

20	Other non-current liabilities	As at March 31, 2024	As at March 31, 2023
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>

21	Borrowings (Current)	As at March 31, 2024	As at March 31, 2023
	Ruppee Term Loan from Banks - Secured (from State Bank of India)		
	Current maturities term loan	10,800	10,800
	Cash Credit	4,698	-
	<b>Total</b>	<b>15,498</b>	<b>10,800</b>

Term Loan of Rs 913 Crores availed from State Bank of India, Industrial Finance Bank, Guwahati with RCM of (MCLR+0.25%) & 6 months MCLR for Development of Sulyan Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly instalment of Rs 9 crores in 9 years 10 months. The company has been regular in repayment of principal and interest on due dates.

Cash Credit Limit of Rs 100 crores with RCM of (MCLR+0.25%) & 6 months MCLR availed on 10/09/2023 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (Both Present & Future) of the company.

22	Particulars	As at March 31, 2024	As at March 31, 2023
	Lease Liability (Refer note no 59)	134	113
	<b>Total</b>	<b>134</b>	<b>113</b>

23	Trade payables (Current)	As at March 31, 2024	As at March 31, 2023
	Trade payables (Refer Note 61)		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	19,427	18,168
	<b>Total</b>	<b>19,427</b>	<b>18,168</b>

Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below

Particulars	As at March 31, 2024	As at March 31, 2023
a) Principal amount and interest due thereon		
b) Interest paid in terms of section 16 of MSMED Act		
c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
d) Interest accrued and remaining unpaid at the end of the year		
e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		

Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.



24	Other Financial liabilities (Current)	As at March 31, 2024	As at March 31, 2023
	Salaries & other benefits payable	142	120
	Earnest money and security deposits from customers	19,222	21,157
	Other financial liabilities	4,649	16,546
	Total	23,913	37,823
25	Other current liabilities	As at March 31, 2024	As at March 31, 2023
	Advance from customers	28,090	29,601
	Statutory liabilities	13,853	15,145
	Other liabilities		180
	Total	57,943	44,926
26	Current tax liabilities	As at March 31, 2024	As at March 31, 2023
	Provision for income tax	14,453	15,507
	Total	14,453	15,507



The Andhra Pradesh Mineral Development Corporation Limited  
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All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2024	For the year ended March 31, 2023
	Sale of products		
	Barytes	1,43,304	1,33,420
	Coal	2,09,245	64,888
	Survey stones	27,545	8,189
	Sale of services		
	Consideration	3,966	3,694
	<b>Total</b>	<b>3,84,059</b>	<b>2,10,191</b>
28	Other Income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Interest income		
	Bank deposits	11,256	8,386
	Loans	2	1
	Others	137	907
	Income from investments		
	Dividend from M/S AP Granites/Mid west IP Ltd	165	110
	Other non operating income		
	Rent receipts	8	8
	Forfeiture of security deposit	875	230
	Other receipts (HSD Commission)	214	155
	Sale of tender documents	33	11
	Interest on delay in payment of minimum consideration	0	20
	Liabilities no longer required written back	71	54
	Penalties on buyers and millers	7	-
	Other miscellaneous income	123	48
	<b>Total</b>	<b>12,890</b>	<b>9,930</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2024	For the year ended March 31, 2023
	a) Opening stock of finished goods	18,397	8,719
		<b>18,397</b>	<b>8,719</b>
	b) Closing stock of finished goods	20,603	18,397
		<b>20,603</b>	<b>18,397</b>
	<b>Changes in inventories of finished goods</b>	<b>(2,207)</b>	<b>(9,678)</b>
30	Employee benefit expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
	Salaries and wages	3,814	3,795
	Contribution to provident fund and other funds	989	880
	Staff welfare expenses	451	489
	<b>Total</b>	<b>5,254</b>	<b>5,164</b>
31	Finance costs	For the year ended March 31, 2024	For the year ended March 31, 2023
	Unwinding of discount on provision	804	703
	Interest on lease liability	8	13
	Interest	6,331	6,989
	Other interests	535	846
	<b>Total</b>	<b>7,678</b>	<b>8,550</b>





32	<b>Depreciation and Amortization expense</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Depreciation of Property, Plant and Equipment	639	476
	Amortization of intangible assets	18,754	2,922
	Depreciation on right of use assets	140	119
	Impairment expenses	1,619	-
	<b>Total</b>	<b>21,152</b>	<b>3,517</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Power and Fuel	870	948
	<b>Total</b>	<b>870</b>	<b>948</b>
34	<b>Excavation and transport charges</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Excavation & transport charges for run of mine	6,120	6,545
	Excavation & transport charges for overburden	37,392	37,658
	Excavation of coal & OB Removal	66,376	12,068
	<b>Total</b>	<b>1,09,889</b>	<b>76,271</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Rents	11	71
	Repairs & maintenance	165	263
	Insurance	10	13
	<b>Rates and taxes</b>		
	Royalty	30,505	13,962
	DMF	5,109	3,565
	NMET	610	322
	Cess	624	558
	Reserve price	20,212	6,343
	MPGSVA Exp	7,218	2,265
	Forest tax & coal exp	2,868	810
	Other rates and taxes	564	384
	<b>Administrative and Selling Expenses</b>		
	Operating expenses	766	128
	Purchase of survey stones	24,574	7,272
	Discount on sales	-	335
	Transport and wagon loading charges	1,144	591
	Selling expenses	346	687
	Prospecting & Mining Lease expenses	938	705
	Office & General expenses	1,926	1,685
	Payment to auditors (refer note no 35.1)	13	10
	Audit fee for other auditors	25	11
	Printing & stationery	70	77
	Corporate Social Responsibility Expenses (Refer Note No 47)	3,545	2,054
	Remuneration to outsourced services	4,966	5,014
	Bad & Doubtful Debts	476	-
	Assets written off	-	662
	Provision for doubtful advances	2,571	3,146
	Data processing charges	73	67
	Rehabilitation expenses	1,298	7,238
	Donations	-	503
	Miscellaneous expenditure	31	27
	<b>Total</b>	<b>1,10,757</b>	<b>53,716</b>



35.1	Payment to Auditors	For the year ended March 31, 2024	For the year ended March 31, 2023
	Statutory audit Fee	13	10
	<b>Total</b>	<b>13</b>	<b>10</b>

### 35 Income Tax

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current Tax Expenses :</b>		
Current income tax charge	24,563	19,640
<b>Total (A)</b>	<b>24,563</b>	<b>19,640</b>
<b>Deferred Tax Expenses.</b>		
In respect of current year origination and reversal of temporary differences	12,874	2,712
<b>Total (B)</b>	<b>12,874</b>	<b>2,712</b>
<b>Total (A+B)</b>	<b>37,438</b>	<b>21,852</b>

### Other Comprehensive Income

Items that will not be reclassified to P&L	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement of defined benefit plan loss/gain		
Gratuity	(75)	(139)
Leave encashment	60	(185)
<b>Total</b>	<b>(15)</b>	<b>(324)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(loss) before tax as per statement of profit and loss	1,43,556	81,634
Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
computed tax expense	36,130	20,546
<b>Tax effect of :</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	12,874	2,712
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	392	517
b) Change in depreciation & Amortisation	(13,210)	(4,072)
c) Provision for doubtful items	647	792
d) Other items	104	858
<b>Total income tax expense for the year</b>	<b>37,438</b>	<b>21,852</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2024	As at 31.03.2023
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,547
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.  The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>85,765</p> <p>13,228</p>	<p>73,469</p> <p>12,296</p>
Vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and remining un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>2,262</p>



B	Contingent liability on BG's: Bank guarantees furnished to different Authorities on behalf of the company.	80,274	80,274
C	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2023-2024, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
Less: Share of TSMDC		-	(311)	-
Share of APMDC		-	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>





### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	500	-	500
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other bank balances	-	-	66,733	-	66,733
Other financial assets	-	75	7,628	-	7,703
<b>Total</b>		<b>75</b>	<b>2,08,783</b>	<b>-</b>	<b>2,08,858</b>
<b>Financial liabilities:</b>					
Borrowings	-	-	-	71,472	71,472
Lease Liability	-	-	-	134	134
Trade payables	-	-	-	19,437	19,437
Other financial liabilities	-	-	-	29,143	29,143
<b>Total</b>				<b>1,20,186</b>	<b>1,20,186</b>

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	370	-	370
Loans	-	-	30,470	-	30,470
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	39,871	-	39,871
Other Bank balances	-	-	63,705	-	63,705
Other Financial assets	-	73	1,04,369	-	1,04,442
<b>Total</b>		<b>73</b>	<b>2,76,262</b>	<b>-</b>	<b>2,76,335</b>



<b>Financial Liabilities:</b>					
Borrowings	-	-	-	59,835	59,835
Lease Liability	-	-	-	113	113
Trade payables	-	-	-	18,468	18,468
Other financial liabilities	-	-	-	74,370	74,370
<b>Total</b>				<b>1,52,787</b>	<b>1,52,787</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	2023-24	2022-23
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2023-24	2022-23
Ageing	<12 Months	<12 Months
Gross carrying amount	74,564	37,477
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	74,564	37,477

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below



**i. Commercial risk****a. Sale price risk**

Particulars	Impact on profit	
	2023-24	2022-23
Selling price increase by 5%		
Barytes& Coal	17,627	9,915
Survey Stones	1,377	409
Selling price decrease by 5%		
Barytes& Coal	(17,627)	(9,915)
Survey Stones	(1,377)	(409)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	2023-24		2022-23	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(306)	306	(327)	327
Excavation & transport charges for overburden	(1,870)	1,870	(1,883)	1,883
Excavation of Coal & OB Removal	(3,319)	3,319	(1,603)	1,603

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st March 2024**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>



As at 31st March 2023

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>152,787</b>	<b>152,787</b>	<b>67,205</b>	<b>85,582</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-03-2024	As at 31-03-2023
Employers contribution to provident fund	173	178
Employers contribution to pension fund	78	62

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March 2023

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	694	546	706	498
Service cost	17	19	27	29
Interest expenses	47	38	52	35
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(139)	(44)	(36)	(36)
Remeasurements - actuarial (gains)/losses	65	134	(67)	178
<b>Benefit obligations at the end</b>	<b>684</b>	<b>694</b>	<b>682</b>	<b>706</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	503	510	822	801
Interest income	41	36	61	57
Employer contributions	224	5	6	5
Benefit payments from plan assets	(139)	(44)	(36)	(36)
Actuarial gain / (loss) on plan assets	0	0	(7)	(6)
<b>Benefit obligations at the end</b>	<b>619</b>	<b>503</b>	<b>845</b>	<b>822</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
PV of obligations at the end of the year	684	694	682	706
Fair value of plan assets at the end of the year	619	503	845	822
Liability (+) / Asset (-) recognised in the balance sheet	65	191	(164)	(116)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended 31-03-2024	For the year ended 31-03-2023	For the year ended 31-03-2024	For the year ended 31-03-2023
Service cost	17	19	27	29
Interest expenses	6	2	(9)	(22)
<b>Net expense recognised</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>7</b>





iv. Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Actuarial (gain)/losses on obligations for the period	65	134	(67)	178
Actuarial (gain)/losses on plan assets for the period	10	5	7	6
<b>Net expense recognised</b>	<b>75</b>	<b>139</b>	<b>(60)</b>	<b>184</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Rate of discounting	7.21%	7.52%	7.21%	7.52%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.06%	13.29%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Expected cash flow in year 1	104	107	153	191
Expected cash flow in year 2	65	99	122	127
Expected cash flow in year 3	70	62	101	103
Expected cash flow in year 4	76	66	91	83
Expected cash flow in year 5	88	77	94	76
Expected cash flow in year 6	32	83	49	80
Expected cash flow in year 7	147	31	84	40
Expected cash flow in year 8	66	142	44	71
Expected cash flow in year 9	8	62	21	35



Expected cash flow in year 10	85	7	54	17
Expected cash flow in year 11+	485	525	123	142

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs. in Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	684	694	0.00%	0.00%
Salary escalation - up by 1%	707	713	2.65%	2.75%
Salary escalation - down by 1%	664	672	-2.91%	-3.16%
Withdrawal rates - up by 1%	691	700	0.96%	0.91%
Withdrawal rates - down by 1%	677	687	-1.07%	-1.02%
Discount rates - up by 1%	645	656	-5.73%	-5.52%
Discount rates - down by 1%	729	737	6.52%	6.26%
Mortality rates - up by 10%	684	694	0.05%	0.05%
Mortality rates - down by 10%	684	693	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. in Lakhs)		(% of change)	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	682	706	0.00%	0.00%
Salary escalation - up by 1%	712	735	4.40%	4.10%
Salary escalation - down by 1%	654	678	-4.10%	-3.90%
Withdrawal rates - up by 1%	687	706	0.00%	0.00%
Withdrawal rates - down by 1%	682	705	0.00%	-0.10%
Discount rates - up by 1%	658	683	-3.50%	-3.20%
Discount rates - down by 1%	707	730	3.70%	3.50%
Mortality rates - up by 10%	682	706	0.00%	0.00%
Mortality rates - down by 10%	682	706	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long term obligations to make future benefit payments.



#### x. Liability risks

##### a. Discount rate risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### b. Future salary escalation and inflation risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### 42. Earnings per share (EPS)

Particulars	As at	As at
	31-03-2024	31-03-2023
Profit after tax before exceptional items	106,119	59,782
Add: exceptional items	-	-
Profit after tax after exceptional items	106,119	59,782
Profit available for equity shareholders	106,119	59,782
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	168,276.58	94,799.44
Basic and diluted earnings per share (In Rupees) – after exceptional item	168,276.58	94,799.44

#### 43. Segment Information

##### i. Description of segment and principal activities

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### ii. Segment revenue and expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### iii. Segment assets and liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.2,36,138 Lakhs is derived from four customers (P.Y 1,40,544 Lakhs from five customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the financial year 2023-24**

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	3,56,515	-	27,545	3,84,059
<b>Total segment revenue</b>	<b>3,56,515</b>	<b>-</b>	<b>27,545</b>	<b>3,84,059</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
<b>Profit/(Loss)</b>	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,772	12,772
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
<b>Profit before exceptional items and tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,537)</b>	<b>1,43,556</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,537)</b>	<b>1,43,556</b>
Income tax - Current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
<b>Profit after tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(65,975)</b>	<b>1,06,118</b>
<b>Other Information</b>				
Segment assets **	2,87,044	15,273	2,12,637	5,14,954
Segment liabilities **	1,56,962	3,696	54,295	2,14,952
Capital work in progress	539	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152



Non-cash expense other than depreciation and amortisation	-	3,851	<b>3,851</b>
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\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment

**Note.** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2022-23**

Particulars	For the year ended 2022-23		
	Mining projects	Sand operations	Unallocated
<b>Segment revenue</b>			
External revenue *	2,02,002	-	8,189
<b>Total segment revenue</b>	<b>2,02,002</b>	<b>-</b>	<b>8,189</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23		
	Mining projects	Sand operations	Unallocated
<b>Segment results</b>			
Profit/(Loss)	97,984	-	97,984
Unallocated other income	-	-	9,041
Unallocated expenses and finance cost	-	-	(25,391)
<b>Profit before exceptional items and tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,350)</b>
<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,350)</b>
Income tax - Current	-	-	19,640
Deferred tax	-	-	2,212
<b>Profit after tax</b>	<b>97,984</b>	<b>-</b>	<b>(38,202)</b>
<b>Other information</b>			
Segment Assets **	2,17,255	16,166	3,13,834
Segment Liabilities **	1,45,060	8,861	69,565
Capital work in progress	332	-	582
Depreciation and amortisation	3,329	886	177
Non-cash expense other than depreciation and amortisation	-	-	3





**44. Related party transactions****A. List of related parties**

Name of the related party	(% of holding)	
	As at 31-03-2024	As at 31-03-2023
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandh Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	-

**Key Management Personal:**

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFI	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation limited- APSFSC	
The Commissioner SS&LR Department	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,592
Naandhi Granites India Private limited	175
Samyuktha Granite private limited	71
The Commissioner SS&LR Department	27,545

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Andhra Pradesh granite (Midwest) private limited	751	274
Naandhi Granites India Private limited	175	-
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	41,757	5,126

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2024	As at 31-03-2023
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2024	As at 31-03-2023
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Sujyari coal company limited	1	1
Nuagon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77



<b>Investment in joint ventures</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Aswani mineral development private limited	7	7
Aham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Mangasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	3	12

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500



**vii. Advance to related parties**

Name of the related party	As at	As at
	31-03-2024	31-03-2023
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	3,098

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O. Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations





Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.30.54 crores against pending payables recognised in previous years.

#### 46. Deferred tax asset /(liability)

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,363	2,472
Provision for lease liability	-	3
Other provisions	3,441	2,819
<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,257	1,879
Investments	85	85
Mining Infrastructure Assets	8,607	3,119
Mining Infrastructure Assets R&R – M'pet	8,519	-
<b>Total deferred tax liability</b>	<b>18,468</b>	<b>5,083</b>
<b>Deferred tax asset /(liability) – net</b>	<b>12,663</b>	<b>(211)</b>

#### 47. CSR Expenditure

- a. Gross amount required to be spent by the company during the year is Rs.944 (Previous Year Rs 716).
- b. Amount spent during the year

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Construction/ acquisition of any assets		
Purpose other than above	3,545	2,054

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable





- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction : Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 3,545 lakhs (PY Rs. 2,054 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year should be shown separately: Nil.

#### **48. Treatment of demerger plan in the Books of accounts**

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.



- i. The approval of the Telangana State Government is still pending. VC&MD, APMDCL has addressed TSMDC vide Lr. No. APMDCL/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants			
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits - BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### Interim division of funds in current accounts, fixed deposits, sweep accounts

During the year a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDC on 29<sup>th</sup> January, 2024 and as per terms of the MOU, both APMDCL and TSMDC have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio.



Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs.1,393.43 crores and same has been distributed in the population ratio i.e. APMDCL @58.32% and TSMDCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCL respectively, vide Memo No.4354/M.I(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines.I) Department, Government of Telangana.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy. Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.



Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDCL.





It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

## **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

## **53. Non valuation of inventory**

### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (62.34 lakhs MTs) is considered without value.

### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.





As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s.Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2024 is 1.56 lakh MT's (including 501 MTs of Grade – 1) which the company has not valued.

#### c. Inventory of survey stones

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-03-2024.

#### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
<b>Total</b>		<b>1,842.91</b>

#### 55. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSF5CL)

Company has received a letter from APSF5CL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSF5CL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-03-2024 for which deposit certificates have been obtained from the APSF5CL. APMDCL has received interest regularly till 31-03-2024 and during the year APMDCL has not withdrawn any amounts deposited with the APSF5CL and confirmation of balance has been obtained.



## **56. Note on Survey Stones**

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDC with the responsibility of procurement and supply of survey stones to meet the requirement of SS&LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.

## **57.Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020.

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No 103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.



## 58. Joint ventures

Corporation has executed Joint venture agreements for development of black galaxy granite deposits in prakasam district from time to time and as per agreement terms following associate is incorporated and free ride equity shares were allotted and details of same is as under.

Sl.no	Name of the associate	No of shares allotted	% of holding	Nature of shares
1	Shambhavi Stones AP Private limited	13,00,000	26%	Equity

The above equity shares were allotted as free ride equity shares as per respective joint venture agreements executed by the corporation with the agencies. Further, transactions with these parties are mentioned in the relative section of related party transactions – note 44

## 59. Leases (Ind AS 116)

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the year ended March 31, 2024:

- (i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the year ended March 31, 2024.

### (ii) Movement in Lease liability with Current/Non-Current break-up:

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	113	53
Additions during the year	167	185
Finance cost accrued during the period	8	13
Payment of lease liabilities	155	138
Balance at the closing of the year	134	113

### Amounts recognised in profit or loss

Particulars	As at 31-03-2024	As at 31-03-2023
Interest expenses	8	13
Depreciation charge for right-of-use assets	140	119

Contractual maturity analysis of undiscounted lease liabilities is given below:

### Maturity Analysis of lease liabilities (undiscounted):

Particulars	As at 31-03-2024	As at 31-03-2023
Less than one year	134	113



#### 60. Note on provision for decommissioning

Name of the project	As at 31-03-2023	Provision made during the year	Provision reversed during the year	As at 31-03-2024
Mangampet-Barytes	686	57	71	672
Balclay	36	3	8	31
Mangampet - Dolomite	595	49	61	583
Suliyar - Coal	8,470	683	1,086	8,067
<b>Total</b>	<b>9,787</b>	<b>792</b>	<b>1,226</b>	<b>9,353</b>

During the year 2023-24, Mine closure plan provision was re-assessed in respect of barytes mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 71 lakhs. Out of which, an amount of Rs. 8 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance of Rs. 63 lakhs is withdrawn and credited to Profit and Loss of the Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of Bal. clay mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 8 lakhs. Out of which, an amount of Rs. 6 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance Rs. 2 lakhs is withdrawn and credited to Profit and Loss of Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of Dolomite mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 61 lakhs. Out of which, an amount of Rs.61 lakhs is adjusted against the Gross amount of Decommissioning Asset in Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of coal mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 1,086 lakhs. This amount is adjusted against decrease in the value of Decommissioning Asset in the Current Year.

61. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

#### 62 Analytical Ratios

The following are analytical ratios for the year ended 31<sup>st</sup> March, 2024.

Sl.no	Particulars	Numerators	Denominators	31-03-24	31-03-23	Variance (In %)
1	Current Ratio	Current Assets	Current Liabilities	1.93	1.66	16.34%
2	Debt -Equity Ratio (*1)	Total Debt	Shareholders' funds	0.24	0.18	28.91%





3	Debt service (*2) coverage ratio	Earnings available for debt service	Debt services	10.36	6.15	68.65%
4	Return on equity (*3)	Profit after tax	Average shareholders fund	35.37%	18.46%	91.57%
5	Inventory (*4) turnover ratio	Cost of goods sold or sales	Average Inventory	19.7	15.5	27.04%
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	6.86	6.55	4.70%
7	Trade payable(*5) turnover ratio	Net credit purchases	Average trade Payables	7.09	5.61	26.50%
8	Net Capital (*6) Turnover Ratio	Net Sales	Working capital	3.17	2.51	26.57%
9	Net profit ratio	Net profit	Net sales	27.63%	28.44%	-2.85%
10	Return on capital employed (*7)	Earnings before interest and taxes	Capital employed	40.71%	23.51%	73.17%
11	Return on investment	Income from investments	Time weighted average investments	33%	30%	11%
12	Dividend (*8) payout Ratio	Total Dividend	Net income	122.52%	-	122.52%

(\*1,2,3,7,8) Due to payment of dividend

(\*4,5,6) Increase in Sullyari project and survey stones project sales and profitability.

### 63. Additional Information

#### a. Particulars of consumption of stores & spares

Particulars	Figures as at the end of March 31, 2024		Figures as at the end of March 31, 2023	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported				
Indigenous	165	100.00	263	100.00
<b>Total</b>	<b>165</b>	<b>100.00</b>	<b>263</b>	<b>100.00</b>





**b. Value of imports calculated on CIF basis and expenditure in foreign currency**

Particulars	(Rs.in. Lakhs)	
	31-03-2024	31-03-2023
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	-	-

**64. Non adoption of previous year financials at the general meeting by the Members**

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023 and 20<sup>th</sup> January, 2025 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023, the board of directors of the company in their meeting held on 5<sup>th</sup> February, 2025 approved the financial statements for the year ending 31<sup>st</sup> March, 2024.

In view of this, the reported amounts as on 31<sup>st</sup> March, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023. Necessary adjustments if any will be made in subsequent years.

**65. Payment of dividend**

During the year company has paid an interim dividend of Rs.400.00 crores for the financial year 2022-23 and Rs.900.00 crores for the financial year 2023-24.

**66. Additional Regulatory Disclosures.**

- There no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company has not been declared a willful defaulter by any bank or financial institutions.



- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.
- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts.
- h. The company uses an accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.
- i. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the financial year.

#### **67. Note on Andhra Pradesh Sand Corporation Limited (APSCl)**

The state Government has issued a G.O incorporated Andhra Pradesh Sand Corporation Limited (APSCl) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCl in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.



#### 68. General

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- d. All amounts have been reported in Rs. In lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0.50 lakhs.

**For M N RAO & ASSOCIATES**

Chartered Accountants

Firm Regn No.0053865

*Satish Kumar*

Ch.Satish Kumar

Partner

Mem No.229921



**for and on behalf of the board of directors**

*MV*

Mukesh Kumar Meena

Managing Director

DIN: 01232593

*G. Rama Subbaiah*

G. Rama Subbaiah

Director

DIN: 10915409

*V.V.V. Phani Kumar*

V.V.V. Phani Kumar

General Manager-F&A



**Place: Vijayawada**

**Date: February 05, 2025**

UDIN :- 2.5229921BMLFAZ3052



## INDEPENDENT AUDITOR'S REPORT

To

The Members of

**The Andhra Pradesh Mineral Development Corporation Limited**

**Report on the Audit of Consolidated Financial Statements**

### Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **The Andhra Pradesh Mineral Development Corporation Limited** ("hereinafter referred to as the "Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our Report, the aforesaid Consolidated Financial Statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

- In case of accompanying Consolidated Balance Sheet, of state of affairs of the Group as at 31<sup>st</sup> March 2024,
- In case of accompanying Consolidated Statement of Profit and Loss (including Other Comprehensive Income) of profit of the Group for the year ended on that date,
- In case of accompanying Consolidated Statement of Changes in Equity, and
- In case of accompanying Consolidated Statement of Cash Flows, of cash flows for the year ended on that date.

### Basis for Qualified Opinion.

- We draw attention to Note No 46 of the consolidated financial statements where in the Group has stated the reasons for not consolidating the Subsidiaries, Associates and joint ventures as tabulated below. In the absence of audited financial statements, management certified accounts for the year ended March 31, 2024 and further reasons as detailed in Note No 46, the transactions of subsidiaries and share in profit/losses of joint ventures and associates of the below mentioned entities are not incorporated in these consolidated financial statements. The list of such entities are as tabulated below



Sl.no	Name of the Company	Nature of Holding	% of Holding
1	Ongole iron ore mining company pvt ltd	Subsidiary	51.00%
2	Andhra phosphate private limited	Subsidiary	50.00%
3	APMDC SCCL Suliari coal company ltd	Subsidiary	51.00%
4	Nuagon coal company ltd	Subsidiary	50.00%
5	Andhra Baryte Corporation Private Limited	Joint Venture	11.00%
6	Andhra Pradesh Iron Ore Company Ltd	Joint Venture	11.00%
7	Gimpex AP Barytes Beneficiation Private Limited	Joint Venture	11.00%
8	Trimex Baryte Private Limited	Joint Venture	11.00%
9	V.V Minerals Private Limited	Joint Venture	12.36%
10	Alliance Andhra Pradesh Black Granites Pvt Ltd	Joint Venture	11.00%
11	Pallava Red Granite Private Limited	Joint Venture	11.00%
12	Aswani Mineral Development Private Ltd	Associate	26.00%
13	Arham Minerals Exports (P) Ltd	Associate	26.00%
14	Isra Minerals Exports (P) Ltd	Associate	26.00%
15	Margasree Granites (P) Ltd	Associate	26.00%
16	Ongole Minerals Exports (P) Ltd	Associate	26.00%
17	RLP Granites (P) Ltd	Associate	26.00%
18	SRAP Minerals Private Limited	Associate	26.00%
19	A.P.Coastal Sand & Metals Pvt Ltd	Associate	26.00%
20	Andhra Pradesh Tribal Mining (P) Ltd	Associate	26.00%

In the absence of information, we are unable to quantify the impact on the Group's financials. Further, in respect of all the above entities, the carrying value of the investment (net of impairment/ provision) in Holding Company's books is NIL.

Holding Company's Basis for Qualified Opinion (As stated in the report of Consolidated financial statements):

- Refer Note 48 of the accompanying Consolidated financial statements. Where the Holding company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Holding Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC. The Holding Company has paid & adjusted Fixed Deposits, Interest on Fixed Deposits and Tax on Interest Income pertaining to TSMDC based on Confirmation obtained from them vide Memo No 4354/M.I(1)/2018 dated 30-Jan-2024. The following balances still continue in the Consolidated Financial Statements, after adjustment of the afore Fixed Deposits. In the absence of information, we are not able to ascertain the impact of the following amounts:

Sl. No	Name of the ledger	Note no	Classification	Rs. in lakhs	Dr/Cr
1	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	2,630.94	Cr
2	Vijayawada (bank)	11	Cash and cash equivalents	203.92	Dr





3. The Holding company has accounted for interest on credit sales from customers amounting to Rs.1.17 Cr for the FY:2023-24. The basis for calculation of accounting interest on credit sales has not been provided. The contractual copies which contain the terms and conditions for levying interest have not been provided. Considering the non-availability of the records we are not able to ascertain and comment on the correctness of the Income recognised under the head Interest on credit sales for the FY: 2023-24. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
4. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the Consolidated financial statements. Further, Extra shift depreciation as per Sch II is not being provided for equipment(s) which are continuously used in the mining operations.

5. **Non-Conformity with Ind AS 115 - Revenue from Contracts:**

The Holding Company has neither adopted nor disclosed the 5-step model specified in Ind AS 115 to account Revenue arising from contracts with customers which requires that the Revenue be recognized to an amount that reflects the consideration to which the Holding company expects to be entitled in exchange for transferring goods or services to a customer. However, the Revenue Recognition policy disclosed in Note 2(f) of the Significant Accounting Policies is not in line with Ind AS 115 Revenue from Contracts & Ind AS-1 Presentation of Consolidated Financial Statements.

i) **Recognition & Measurement - Grade Variance of Coal not adjusted to Revenue:**

As per Ind AS 115, Revenue has to be measured at Consolidated fair value of the consideration received or receivable taking into account contractually defined terms of payment. However, Grade Variances on account of quality difference in coal as per Clause 6 of Sale Agreement with Adani Power Limited (APL) for the FY: 2023-24 has not been adjusted to Revenue disclosed in Note 27 of the accompanying Consolidated Financial Statements, which constitutes a departure from Ind AS 115. Accordingly, Revenue & Profit are overstated by Rs.148 Cr (Basic Coal Value) for the FY: 2023-24.

ii) **Measurement – Statutory Levies included in Revenue:**

As per Ind AS 115, transaction price “... is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, **excluding** amounts collected on behalf of third parties (for example, some sales taxes).” Revenue disclosed in Note 27 of the accompanying Consolidated Financial Statements is inclusive of all Statutory Levies excl. GSTs per Note 2(f) of the Significant Accounting Policies. As, inappropriate accounting policy cannot be rectified by disclosure, measurement of Revenue by incl. Statutory Levies, constitutes a departure from Ind AS 115. Accordingly, Revenue disclosed in Note 27 is overstated by Rs. 678.35 Cr and corresponding overstatement of Rates & Taxes (Note-35 Other Expenses) by Rs. 678.35 Cr for the FY: 2023-24.

iii) **Measurement - Survey Stones:**

As per G.O.Ms.No.33 dated 30-May-2023 of Mines & Minerals Department, in respect of supply of Survey Stones by APMDC “4(c) reimburse the expenditure incurred by Andhra Pradesh Mineral Development Corporation (M/s APMDC) for production and transportation of stones, along with service charge of 7% of the value of survey stones supplied.” i.e., Holding company receives Service charge of @ 7%. However, no accounting policy regarding revenue recognition & measurement criteria, pertaining to Survey Stones consequent to APMDC receiving only



Service Charge was disclosed, which is not in line with Para 117 of Ind AS-1 Presentation of Consolidated Financial Statements.

Out of the total Rs. 275 Cr Survey Stone Sales disclosed in Note 27 of the accompanying Consolidated Financial Statements, Rs. 267.3 Cr sale was made by Holding company on Service Charge basis. Instead of recognizing Revenue at Rs. 17.5 (7% Service Charge Income), APMDC has recognized the entire Rs. 267.3 Cr (Stone Purchase Cost + 7% Service Charge) as Revenue & corresponding expenditure of Rs. 249.8 (Stone Purchase Cost) Cr as Other Expenses disclosed in Note 35, which is not in line with the Ind AS 115, resulting in overstatement of Revenue & Other Expenses to the tune of Rs. 249.8 Cr for the FY: 2023-24.

**6. Loss Allowance for Expected Credit Losses / impairment as required under Ind AS 109:**

- a) The Holding company has stated in Note No.10 of the accompanying Consolidated financial statements that a total amount of Rs.738.4 Cr was outstanding towards unsecured trade receivable being considered good by the Management of the Holding company. In our opinion, receivables those beyond certain period as decided by the board and those disputed in courts (if any) should have been classified under the heads 'significant increase in credit risk' and 'credit impaired' and adequate loss allowance from profit before tax should have recognised for expected credit losses in accordance with Ind AS 109. This resulted in overstatement of profit and overstatement of trade receivables.
- b) Of the Rs.738.4 Cr trade receivables in Note 10, Rs.417.6 Cr is due from the Survey Settlements & Land Records (SS&LR) Dept., Govt. of Andhra Pradesh, for supply of survey stones by Holding company. These receivables are unsecured, and no guarantee is provided by the government. As per Sl. No. 4(d) of G.O.Ms.No.33 dt. 30-May-2023, payment should be made via adjustment bill to Holding company's PD account, but no funds were received in FY 2022-23 or FY: 2023-24. Management of the Holding company has not provided any expected Credit Losses on the same.
- c) Further, Out of the Rs.738.4 Cr trade receivables in Note 10, Rs. 152.4 Cr is due from Dept., of Mines and Geology, Andhra Pradesh towards sand operations carried on by the holding company as an agent during FY: 2022-23. These receivables are unsecured, and no guarantee is provided by the government. Management of the holding company has not provided any expected Credit Losses on the same.
- d) Further, Holding company has not provided the list of trade receivables which remain uncollected for more than 3 years and exceeded the limitation period for filing suit in the court, but where no legal case was filed for recovery.
- e) An amount of Rs.48.89 Cr only was kept under 'Reserve for Bad and Doubtful Debts' by the Holding Company as on 31-Mar-2024. We are of the opinion that the Holding Company should create adequate provision for loss allowance from profit before tax (instead of appropriation of after-tax profit as reserve) in accordance with Ind AS 109 for bad and doubtful trade receivables, and other recoverable.
- f) Balance confirmations are not obtained for the Trade receivables disclosed in Note 10 of the accompanying Consolidated Financial Statements, and the balances remained unreconciled. Further, holding company has no regular system to maintain ageing analysis of trade receivables. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the Consolidated financial statements.



7. There exists long outstanding credit balances towards advances received from customers, trade payables, security deposits payable, EMD Payable Penalty Suspense, Statutory Dues Payable, and Other deposits payable which are disclosed in Note No.18, 20, 23, 24 and 25 of the accompanying Consolidated financial statements and remain unpaid and unreconciled. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Even though, holding company has disclosed an accounting policy for de-recognition of financial liabilities which were discharged, expired or cancelled in accordance with Ind AS 109 in Note 2(x), the same is not being followed / implemented. The precise effect of consequential adjustments upon such confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
8. There exists long outstanding advances given to Govt. Departments, Deposits with Collectors, Security Deposits, amounts recoverable from vendors & customers, which are disclosed in Note No. 5, 6, 8, 12 & 14 of the accompanying Consolidated financial statements and remain outstanding and unreconciled. Further, confirmations / Utilization Certificate from Parties are also not available. Even though the holding company has disclosed an accounting policy for de-recognition of financial assets in accordance with Ind AS 109 in Note 2(x), & an accounting policy for impairment as per Ind AS 36 in Note 2(i), the same is not being followed / implemented. The precise effect of consequential adjustments upon such Utilization Certificate / confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
9. Refer Note 38, where the holding company has disclosed Classification of Financial Instruments as per Ind AS 109 as Amortized Cost & FVTPL. However, Loans and advances given to staff at concessional rate of interest, Trade Receivables, Trade Payables, Other Financial Assets & Other Financial Liabilities are not accounted at fair value and required disclosures have not been made as per Ind AS 109.
10. Note 35 Other expenses does not include Rs 132.28 Cr for the year and Rs 857.65 cr for previous years totalling to Rs 989.93 Cr payable by the holding company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT), as on reporting date though the company required to contribute 10% of the sales turnover to MERIT, which was formed by State Government (G.O.Ms. No 18 dated 13-Jan-2016) in place of Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. Rather, the liability towards the contribution is disclosed as contingent Liability in Note -37 to accounts quoting that holding Company requested (November 2019) the Government for exemption from contributing 10% of sales turnover and a fixed amount would be contributed. As per the latest information (Feb-2025) no exemption was granted by the State Government / MERIT. Hence suitable provision should have been recognised along with disclosures. Thus, non-recognition of provision should have been recognised along with disclosures. Thus, non-recognition of provision resulted in understatement of Other Expenses and Other current liabilities (Note-25) by 989.93 Cr each with consequent overstatement of the Profit for the year by the same amount.
11. The Holding Company has been generally filing Income Tax Returns based on Provisional Financials (incl. for the FY:2023-24) without fully complying with the provisions of the Income Tax Act. Refer Note 8, where the holding Company stated Corporate Tax Receivable amounting to Rs. 175.45 Cr which are pending on account of various disputes at different forums & Refer Note 26, where the holding company has stated Provision for Income Tax Payable amounting to Rs.144.53 Cr for previous years. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Any consequential effect on account of actual tax liability based on the Consolidated Audited financial statements of previous years on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the Consolidated financial statements.



Further, Holding company has recognized Current Tax & Deferred Tax for the FY: 2023-24 in the statement of profit & Loss based on internal assessment. The estimate of Provision for Current Tax & Deferred Tax is subject to change on completion of Tax Audit u/s 44AB of Income Tax Act based on Audited Financial Statements. The precise effect of consequential adjustments upon such allowances / disallowances on completion of Tax Audit, if any, on the Consolidated Financial Statements is not ascertainable.

12. The Board of Directors have declared Interim Dividend of Rs.400 Cr for the FY: 2022-23 & Rs.1,000 Cr for the FY: 2023-24 during Jan-24 & Feb-24. Out of the interim dividend declared amounting to Rs. 1,000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid as on date, leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.

Further, the Holding company has written off Suspense A/c & Security Deposits totaling to Rs. 3.26 Cr during FY: 2023-24 and offered the same as Income. However, the holding company has neither a policy for write off of such Outstanding Deposits beyond a timeframe nor has documented approvals of the appropriate authority for such write offs. In addition, information in respect of ageing analysis of Security Deposits Payable, EMD Payable and Advances received from customers are not available. In the absence of information, we are unable to ascertain whether these amounts qualify as deposits under Companies (Acceptance of Deposits) Rules, 2014 & as to whether the Dividend paid by the holding company during the year is in compliance with provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.

13. The holding company is required to disclose Contingent Liabilities as per Ind AS 37. The best estimate of contingent liabilities is disclosed in Note 37 to the accompanying Consolidated Financial statements as at March 31, 2024. The same could not be audited by us, as the holding company has not provided the related legal litigation files for our clear understanding and verification. Further, the disclosure in Note 37 does not contain details of current status of dispute, management estimate of outcome, accrued interest payout and amount involved for which no provision is made.

Further, the disputed income tax demands as disclosed as at 31-Mar-2024 in Note 37 of the accompanying Consolidated Financial Statements is not matching with latest demand outstanding notice for which reconciliation and current status of dispute is not provided. Certain demands are found to be adjusted with income tax refund due, which are stated as receivable under Note 8 (Others – Balance with Statutory Authorities).

#### 14. Inventory

- a) Physical Verification of Inventories on 31-Mar-2024 has not been carried on by the Management of the Holding company or by an external agency. Management of the holding company has arrived at the quantities of closing stock of coal, Barytes & Survey Stones as on 31-Mar-2024 based on the Opening Stock, Production and Dispatch records. In the absence of physical verification of Inventories, the actual quantities as on 31-Mar-2024 may differ from the reported quantities by the management of the holding company. Therefore, the precise effect due to any consequential variances in the quantities of inventories, cannot be ascertained.

Refer Note 2(i) & Note 53, where holding company has recognized closing stock for C+D+W Grade of Barytes only for a quantity of 15,00,000 MTs as against the actual quantities of 77,34,091 MT and considering no value for the remaining stock of 62 Lakh MTs (approx.), as management of the holding company expect this grade not to fetch any value in the market.





However, on 24-Jan-2024 a tender was issued by Holding company for the sale of C+D+W grade material, with a reserve price of Rs.1,200/- per MT basing on the pricing strategy conducted by PWC. Single bid has been received & several parties expressed interest to lift the C+D+W grade material on reduction of EMD & Tender fees. Therefore, the estimate of the management of the holding company that the C+D+W+ grade material has no market value is not appropriate and not in line with Ind AS 2 - resulting in undervaluation of Inventory to an extent of Rs. 489 Cr. (62 Lakh MT @ Rs.784 / MT – Actual Cost of Production of C+D+W for FY: 2023-24).

- b) As required under para 97 and 98 of Ind AS 1, holding company shall disclose the exceptional items like Carrying amount of inventory written down to net realisable value separately in its Consolidated financial statements. However, carrying amount of inventory (C+D+W Barytes & Survey Stones) written down in the year & previous years to net realisable value (Nil) is not disclosed separately in the Consolidated financial statements.
15. The total Mine Closure Cost for Suliari Coal Mine as per the Mining Plan is Rs.526.6 Cr to be incurred over a period of 26 years & the company recognized Decommissioning Asset & corresponding Provision for Decommissioning based on Mine Closure guidelines of Ministry of Coal for Total Mine Closure (Refer Note 2(p)). However, as per Clause 16.2(b) read with Clause 7.6 of the agreement between Holding company & M/s Adani Enterprises Limited (AEL), Mining Fee payable to AEL shall also include costs incurred towards "Progressive Mine Closure activities" and therefore, no additional cost is to be incurred by holding company towards Progressive Mine Closure activities. In the absence of adequate information relating to Total Mine closure cost apportionment between AEL & holding company, we were unable to ascertain the adequacy and extent of Decommissioning Asset (Note 3.3) & Provision for Decommissioning (Note 19) recognised in the Consolidated Financial Statements and their corresponding accumulated depreciation & Unwinding Costs debited to Consolidated Profit & Loss for the FY: 2023-24. The precise effect due to the consequent distribution of Mine Closure costs between AEL & Holding company could not be ascertained.

Further, holding company has been operating Granite Mines at Chimakurthy, Andhra Pradesh. No provision for Mine Closure & Decommissioning costs as required under Ind AS 16 has been recognized in the Consolidated Financial Statements as on 31-Mar-2024. The resulting impact on Consolidated financial statements could not be ascertained, in the absence of adequate information.

16. We draw your attention to Note 34, where the Holding company expensed Rs. 374 Cr towards Removal of Overburden in Barytes (Mangampet Mine) achieving Stripping Ratio of 3.17, as against 1.77 Stripping Ratio as per Mining Plan. The management of the Holding company has represented that, the significant increase in OB Removal in Mangampet Mine during the year is on account of OB removed in the adjacent Dolomite Mine, which is not included in computation of Stripping ratio of the Barytes Mining Plan. The expenses incurred for OB removal of Dolomite mine is required to be considered as Development expenditure and is required to be capitalized as per Accounting Policy disclosed in Note 2(aa). The OB Excavation expenses of Rs. 374 Cr is not allocated / apportioned between Barytes & Dolomite Mine and is charged entirely to Revenue for the FY: 2023-24. In the absence of bifurcation of the OB excavation expenditure between Barytes & Dolomite Mine, we are unable to ascertain the impact on Consolidated Profit & Loss account. Accordingly, the accounting policy selected and adopted by the holding company for accounting Overburden removal costs is not in line with Para 10, 11 & 12 of Ind AS 8.





17. As per Para 13 of Ind AS 8, an entity shall select and apply its accounting policies consistently for similar transactions & it shall be selected and applied consistently to each category. The Holding Company has not adopted any Accounting Policy in respect of treatment for R&R Costs. The following account treatment is followed by the Holding company in respect of R&R Costs:

- a) In respect of Mangampet mine, the R&R costs incurred at the inception of the project is not found as an asset, as the same is charged to revenue as and when incurred. However, part of the R&R Costs incurred by the Holding company during the previous years are parked as advances and neither expensed off nor capitalized amounting to Rs. 155 Cr. These R&R costs along with R&R costs incurred during the FY: 2023-24 of Rs. 290 Cr, aggregating to Rs. 445 Cr were capitalized as Mining Assets during FY: 2023-24 and amortized over the remaining life of the mine (5 Years). Amortization Cost debited to Consolidated Profit & Loss on this account is Rs. 106 Cr. Further, justification for incurring R&R costs when the mine is nearing closure is not available.
- b) R&R Costs and Mine Development Costs incurred in respect of Suliari mine amounting to Rs. 1,517 Cr up to FY: 2022-23 are capitalized as Mining Infrastructure Assets as and when incurred, which is in contrary to the accounting for R&R costs adopted for Mangampet Mine up to FY: 2022-23.
- c) On verification of the Lands in (PPE - Note 3), R&R Costs are capitalized as Land amounting to Rs. 18.9 Cr, which is neither charged to revenue nor amortized. This is in contrary to the accounting treatment given by the Holding company for Mangampet & Suliari Mines.

As the Holding Company has neither adopted & disclosed the accounting Policy nor applied the accounting treatment for these costs consistently in respect of R&R Costs, the same is not in line with Para 10, 11, 12 & 13 of Ind As 8. The precise effect of consequential adjustments on the Consolidated Financial Statements on adoption of the accounting policy by the Holding company is not ascertainable.

**18. Suliari Coal project, Madhya Pradesh:**

- a) The Holding company has outsourced the entire Mine Development & Operations of Suliari Coal Mine, Madhya Pradesh to "Adani Enterprises Limited" (MDO) & around 70% of coal produced during FY:2023-24 is sold to "Adani Power Limited" (APL) vide a coal supply agreement for 5 years. During the FY: 2023-24, the average Sale rate of coal to APL is significantly lower than compared to the avg. sale rate to other parties, resulting in forgone potential revenue of Rs. 430 Cr. The documentation along with justification of awarding the Mine Production & Sale agreements to parties related to each other are not on record.
- b) Further, Liquidated Damages / Compensation / Penalties for delay in commencement of Coal production & for not meeting the monthly quantity obligations as per the terms of the agreement are not levied on AEL by Holding company. Similarly, no Penalties are levied by Holding company on APL for Short Lifting of Coal produced as per the terms of Coal Supply agreement. Further, no waiver by competent authority is available on record.
- c) Additionally, Interest bearing Performance Security Deposit (PSD) of Rs.250 Cr is taken from Adani Power Limited (APL) by Holding company instead of a Bank Guarantee. Justification of the management of the holding company in accepting Interest bearing PSD instead of Interest free Bank Guarantee cannot be ascertained.



- d) An amount of Rs. 1,652 Cr. was capitalized towards R&R & Mine Development Costs of Suliari Coal Mine as on 31-Mar-2024. As the records relating to the costs incurred during the previous years are not available, we are unable to comment on the appropriateness of the R&R and Mine Development Costs Capitalized.

In the absence of any effective documented Risk Management Policy by the Holding company, we are unable to ascertain the corresponding effect on the Consolidated financial Statements and operations of the Suliari Mine, due to potential Risks (if any) involved in the aforesaid matters.

19. The Holding company has not obtained confirmation of MSME classification from vendors and hence, bifurcation of trade payables to MSME and others is not disclosed as required under Schedule III of Companies Act. Further, the ageing of Trade Payables, Trade Receivables & Capital Work in Progress, Cost & Time Overrun of CWIP is not disclosed as required under Schedule III of Companies Act, 2013.

**20. Interest Free Loan to Andhra Pradesh State Fiber Net Limited (APSFL):**

The Holding Company has released an interest free unsecured loan of Rs. 100 Cr during the financial year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly instalments starting from FY: 2018-19 and ending in FY: 2021-22. APSFL has not repaid the instalments due in FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 as per terms of the agreement till date. The said loan is unsecured and not backed up by any government guarantee.

The management of the Holding company has not provided for impairment on the loan amount as it is confident of the recovery of the loan. In the absence of Audited Financial Statements of APSFL from FY 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

**21. Loan to Machilipatnam Urban Development Authority (MUDA):**

The Holding Company has released unsecured loan of Rs. 200 Cr. to M/s Machilipatnam Urban Development Authority ("MUDA") on 01-Nov-2018 bearing interest at 8% per annum and repayable in 45 days. Despite multiple requests for repayment by APMDC, both the principal and the outstanding interest remain unpaid as on date. The said loan is an unsecured loan and is not backed by any government guarantee.

Additionally, Holding company received G.O.Ms. No. 32 dated 14-Mar-2024 to Waive off Rs.7.07 Cr of principal amount and corresponding interest that is recognised in the books of account. The Company has not written off / impaired the Loan. Further, in the absence of Audited Financial Statements of MUDA from FY 2018-19 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Consolidated Financial statements.

Further, the management of the Holding company has not provided for impairment on the loan amount as it is confident of the recovery of the loan, but on the other hand management of the Holding company has not recognized Interest Income amounting to Rs. 84.7 Cr for the period of 1931 days from 16.12.2018 to 31.03.2024 (excl. penal interest leviable under Clause 4 of loan agreement), on the basis of the accounting policy stating that Interest Income on irregular / overdue advances are recognized on realization basis. Thus, the practice of the Holding



Company to defer the recognition of interest accrued on loan referring to its accounting policy disclosed at 2(f)(iv) to recognise interest income on irregular / overdue advances on realisation basis is not justified and appropriate to that extent since neither uncertainty in realisation of the said loan was justified nor carrying amount of loan was impaired. As, inappropriate accounting policy cannot be rectified by disclosure. Deviation from accrual basis of accounting results in understatement of Other Income and Loans by Rs. 84.7 Cr each with understatement of Profit by the same amount.

22. Holding company has secured a term loan from SBI at an initial interest rate of 7.20% to fund the Capex of the Suliari Coal Mine. Subsequently, on 13-Oct-2021, it received an interest-bearing Performance Security Deposit (PSD) from Adani Power Limited (APL) at an initial interest rate of 9%, payable to APL on a quarterly basis. The decision to accept an interest-bearing PSD from APL instead of a cost-free bank guarantee lacks commercial justification.

Furthermore, APMDCL has invested Rs. 555 Cr. in Inter-Corporate Deposits (ICDs) of Andhra Pradesh State Financial Services Corporation (APSFSCCL), earning an initial interest rate of 5% per annum. These ICDs are redeemable with a 21-day notice. The investment was made using Rs. 250 Cr. from the interest-bearing PSD received from APL, along with other bank balances of Holding company. This has resulted in Holding company's borrowing at higher interest rates (Term Loans & PSD) while investing in ICDs at lower interest rates, leading to a revenue loss for the Holding company.

The financial rationale behind the management of the Holding company's decision to continue holding these ICDs, despite their redeemability within 21 days, and not utilizing the funds to repay borrowings remains unclear. As a result, Holding company has incurred a revenue loss of Rs. 10 Cr. for FY 2023-24 (based on revised Interest rates for FY: 2023-24) due to the continued investment in these ICDs. The total revenue loss to the holding company from inception could not be determined due to the fluctuating nature of interest rates on these borrowings.

23. The Holding company has employed maximum of 336 Nos. of Contract employees during FY: 2023-24 with a monthly remuneration totaling to Rs. 1.14 Cr during that period and debited Rs. 10.5 Cr for the FY: 2023-24 to the statement of Consolidated Profit & Loss.

On comparison with Dec-2024, the No. of. Contract Employees substantially dropped to 74 Nos. from 336 Nos. and the monthly remuneration to Rs.0.5 Cr from Rs.1.14 Cr. The designations of the contract employees during FY: 2023-24 were DEO or DPO and the Job Descriptions were not specified in the terms of the agreement. Further, we are unable to obtain any explanation and justification of the management of the holding company for the significant decline in the total no. of contract employees. In the absence of sufficient & adequate information, we are unable to ascertain the existence and accuracy of the Contract Employee Cost of Rs. 10.5 Cr debited to profit & loss for the FY: 2023-24 under Employee Benefit Expenses.

24. We draw attention to Note 43 to the accompanying Consolidated financial statements, where the holding company has not adequately disclosed segment information in accordance with Indian Accounting Standard (Ind AS) 108 – Operating Segments. The standard requires an entity to disclose information about its operating segments based on internal management reporting used for decision-making, including segment revenue, segment results, and segment assets and liabilities.





The Holding Company has coal and barytes operations, which comprise two major sources of revenue. However, the holding company has disclosed Segment reporting under a single segment as mining operations, instead of presenting them as separate operating segments. Since these operations have distinct economic characteristics and are subject to different risks and returns, their aggregation does not align with the principles set out in Ind AS 108. The lack of appropriate segment reporting may impact the users' ability to assess the financial performance, profitability, and risk profile of each business segment individually. As a result, the Consolidated financial statements do not provide sufficient information to enable a proper evaluation of the Holding Company's performance across its operating segments.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of matter Paragraph:**

Without qualifying our opinion, we draw attention to the following matters in the Consolidated Financial Statements:

1. Refer Note No. 64, the supplementary Audit of C&AG for the FY: 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23 is yet to be completed and thus, same are yet to be adopted by the members in Annual General Meeting. As the Consolidated Financial statements along with Independent Auditors' report of the corporation for the FY: 2022-23 are yet to be adopted by the members in AGM, (corporation submitted the same to CAG for supplementary Audit only on 04-Feb-2025), the comparative figures for previous year 2022-23 which are provided in the current year Consolidated financial statements are unadopted.
2. Refer Note No. 45, the Holding company has paid an amount of Rs. 30.54 Cr against outstanding balances pertaining to sand operations, which was carried over from the previous year financials on which previous auditors have issued a disclaimer of opinion.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key audit matters as per SA 701, are not applicable to the company as it is an Unlisted company.



## **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements:**

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.





## **Auditor's Responsibility for the Audit of Consolidated Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management of the Holding company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters:**

1. The Holding company has completed its migration to a new ERP system (Dynamics 365) during the year. However, no independent audit was conducted to verify the accuracy, completeness, and integrity of data migration, system controls and its effectiveness, and reconciliation with previous records.
2. Note 14 (Other Current Assets) of the accompanying Consolidated financial statements primarily comprises of GST Input Tax Credit (ITC) receivables representing accumulation of ITC due to inverted duty structure & RCM applicable on royalty. Management of the Holding company estimates to utilize this accumulated ITC in future for payment of Output GST based on various factors such as volume increase and price revisions, change in business operation model (i.e., departmental capabilities in place of outsourcing), changes in output GST Rate, diversification of business etc., However, the scale and magnitude of GST ITC accumulation by the company in recent years is significant (Rs. 256 Cr as on 31-Mar-2024 as compared to Rs.120 Cr as on 31-Mar-2023). With the Holding company not having any departmental operations and the fact that, the entirety of the mining operations outsourced, the anticipated use of the GST ITC by the management may not align with the estimates, potentially necessitating write-offs which can have a substantial impact on the profit.
3. We did not audit the financial statements / financial information of subsidiaries, associates and jointly controlled entities. The consolidated financial statements include the Group's share of Net Profit of Rs 380 lakhs (Including 3 lakhs in OCI) for the year ended March 31, 2024 and the financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. Further, we draw our attention to Note No. 68 of the consolidated financial statements. Out of the four joint ventures included in the consolidated financial statements, only one joint venture, namely Andhra Pradesh Granite (Midwest) Private Limited, has prepared and presented its financial statements as per Ind AS. The other three have not reported their financial statements as per Ind AS, which is not in line with Ind AS 110. Accordingly, the resultant impact on the Consolidated financial statements could not be ascertained.
4. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements:**

1. As required under Section 143(5) of the Companies Act 2013, we give in "Annexure A" a statement on the directions and sub-directions issued by the Comptroller and Auditor General of India, action taken thereon and the impact on the accounts and Standalone financial statements of the Company, such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us.



2. As required by Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought, except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d) Except for the effects/ possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
- e) Being a Government Company, pursuant to Notification No. GSR 463(E) dated 15-Jun-2015 issued by Government of India, Provisions of clause (g) of sub-section (3) of section 143 of the Companies Act 2013 are not applicable to the Company.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Act, are not applicable to the company.
- g) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on cash flows of the Group.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses disclaimer of opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Due to qualification stated at para- No.12 of the Basis of Qualified Opinion, we are unable to comment on whether the Holding Company has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements.



- ii. In our opinion and as per the information and explanations provided to us, the Holding Company did not have any long-term contracts, requiring provisions under applicable laws or accounting standards, for material foreseeable losses.
- iii. There has been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- iv. (a) The management of the Holding company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Holding company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding company ("Ultimate Beneficiaries") or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
(b) The Management of the Holding company has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause [a] and [b] above, contain any material mis-statement.
- v. As stated by the Holding company in Note 65 of the accompanying Consolidated Financial Statements & due to the qualification stated in para-No.11 of the Basis of Qualified Opinion above, we are unable to ascertain whether the interim dividend declared by the Holding company is as per the provisions of Sec 123(6) r.w.s. 73 & 74 of the Companies Act, 2013.  
  
Further, out of the interim dividend declared amounting to Rs. 1000 Cr. for the F.Y 2023-24, only an amount of Rs. 900 cr. was paid leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.  
  
The Final dividend for the FY: 2022-23 & FY: 2023-24 is not yet proposed by the Holding company's Board of Directors, as on the date of the Audit Report.  
  
Further, in one of the Joint ventures namely AP (Midwest) Private Limited dividend was declared or paid during the year.
- vi. Based on our examination, which included test checks, and based on the audit reports submitted by us the Holding Company used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has been in operation throughout the year for all relevant transactions recorded. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.





Further, as per reports submitted by the independent statutory auditors of the Four Joint ventures namely Andhra Pradesh Granite (Midwest) Private Limited, Samyuktha Granites PL, Naandhi Granites Private Limited, Shantibhavi Stones AP Private Limited, in case of Andhra Pradesh Granite (Midwest) Private Limited which has used an accounting software for maintaining its books of account has feature of recording audit trail except that this feature was not enabled in the accounting software throughout the year. In respect of other three JV's, their statutory auditor has not reported the required status with respect to audit trail maintained by the said subsidiary and as such we are not able to comment on the same

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S



*Satish Kumar*  
(Ch. Satish Kumar)  
Partner

Membership No.: 228921

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921 BM/FBA/2128

Enclosed: Annexure A and B to the Audit Report



**Annexure - A to the Independent Auditors' Report**

*(Referred to in paragraph 1 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Holding company on the Consolidated financial statements for the year ended March 31, 2024)*

**Report on Directions & Sub-Directions Issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013**

Sl.no	Directions/Sub-directions	Observations/Findings
<b>A. Directions</b>		
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Holding Company has system in place to process all the accounting transactions through IT System i.e., Microsoft Dynamics ERP. However, many areas have not been covered under the ERP such as Accounting of Inventory, Payroll, Stores Consumption, Depreciation etc which are manually maintained
		We draw attention to Para 1 of the Other Matters section of our Audit Report, in respect of ERP Migration during the year.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanations given to us and based on our examination of the records of the Holding Company, there has been no restructuring/ waiver/write off of any existing loan taken by the Holding Company. As such there is no financial impact involved.
3.	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	No such Funds have been received / receivable for specific schemes from central / state agencies.
<b>B. Sub-Directions</b>		
1	In case of works executed with the funds of Central or State government(s)/ other user department(s) or their agencies, whether there is conclusive evidence that the assets created will be the assets of the PSU? If not, the accounting treatment of the funds received, utilized, returned, assets created up to and during the year (work-in-progress or completed), assets handed over to the fund-giving agency up to and during the year, assets impaired, if any, and the revenue/ commission/ centage realized on these works, with full quantitative details may be detailed	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no works executed with the funds of Central or State government(s)/ other user department(s) or their agencies
2	Where Grants are received from Central or State government(s)/ other user department(s) or their agencies a) Where grants are taken as revenue for the year, whether the concerned orders are clear that the funds can be utilised for revenue expenditure;	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no grants received by the Holding company from Central or State government(s)/ other user department(s) or their agencies.



	b) Where guarantee commission is to be paid, the quantitative details viz., amount guaranteed, rate of guarantee commission, whether the commission was paid or payable along with the details of the purpose of raising the funds with guarantee and whether the funds were utilised for the stated purpose;	
3.	Where any long-term liability is undertaken against an asset of finite lifetime, whether there is a clear accounting policy thereon (for instance, land obtained on lease for a specific period (whether renewable or non-renewable) but shares issued in lieu of the land lease).	There are no long-term liabilities in respect of asset with finite life time except for mines in respect of which Provision for Decommissioning of Mine has been provided in line with the provisions of Ind AS.
4.	Whether the corresponding expenditure on which the taxes paid/ payable are accounted in the financial statements is also included appropriately	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding Company has accounted Taxes on Expenditure appropriately, wherever applicable.
5.	<p>Whether there is a Public Deposit account in the name of the PSU? If yes,</p> <p>a) Funds debited from the PD account erroneously/ lapsed by the treasury, but claimed by the Company as receivable / its own funds;</p> <p>b) If any funds given by any Government or agencies other than the State Government were lapsed, the details of the same may be detailed;</p> <p>c) Details of the funds raised through loans (with or without government guarantee) and deposited in PD Account; Purpose of the loans and whether the purpose is initiated/completed;</p> <p>d) Whether suitable disclosure on the restrictions or additional permissions required on withdrawing the funds in PD Accounts is included or not;</p> <p>e) The quantitative details of the bills sent for clearing against the PD account balances but not cleared/ returned unpaid as on the reporting date along with age-wise analysis;</p>	<p>The Holding Company has been maintaining Public Deposit Account vide PD DDO Code: 27002403004 and there are no transactions in the PD account during the FY: 2023-24.</p> <p>a) Based on our verification, we have not found any such transactions during the year covered under our audit.</p> <p>b) No funds have been received by APMDC during the year.</p> <p>c) During the year holding company has not deposited any amount in PD Account.</p> <p>d) According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no restrictions or additional permissions required for withdrawing the funds from this account.</p> <p>e) There are no returned/ unpaid bills as on 31-Mar-2024.</p>



6.	Where funds are raised by the Company and the payment of Principal or Interest or both are met by the State Government or its agencies, directly or indirectly, the details and the purpose of these loans may be stated along with the fact whether the funds were utilised for the stated purpose	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, there are no funds which have been raised by the Holding company for which payment of principal or interest or both are met by the State Government or its agencies, directly or indirectly
7.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As per the information and explanations provided by the management, there are no such instances taken place and reported during the year.
8.	Whether the inventory has been taken on the basis of physical verification after adjustment of shortage/ excess found and whether due consideration has been given for deterioration/ obsolescence in the quality which may result into overvaluation of stock?	Reference is invited to Para 13 of the Basis of Qualified Opinion in the Audit Report.
9.	Whether the cost incurred on abandoned projects has been written off?	We draw attention to Note 57, where corporation has made doubtful provision of Rs.23.94 Cr for the Upfront Fee regarding Madanpur South Coal Mine written off during FY 2022-23
10.	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding company has not received any amounts for projects/schemes.
11.	Whether the bifurcation plan (between Andhra Pradesh & Telangana States), if any, for the Company is finalized and approved; Whether the accounting treatment as per the plan and the suitable detailed disclosures are given. Deviations may be stated.	We have Qualified our report for want of information and records. Accordingly on account of the reasons as stated in Basis for Qualified Opinion para 1, we are unable to comment upon the same  We also draw attention to Note 48 in the accompanying Consolidated financial Statements.
12.	Whether the company has taken adequate measures to reduce the adverse effect on environment as per established norms and taken up adequate measures for the relief and rehabilitation of displaced people.	We are unable to comment upon the same as we have not visited the mine. As per the representation provided by the management of the Holding company, they are in compliance with stipulated norms



13.	Whether the Company had obtained the requisite statutory compliances that was required under mining and environmental rules and regulations?	According to the information and explanations given to us and on the basis of our examination of the records of the Holding company, the Holding Company has obtained the requisite statutory compliances that was required under mining and environmental rules and regulations.
14	Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?	Reference is invited to Para 14 & 15 of the Basis of Qualified Opinion in the Audit Report.
15.	Whether the Company has disbanded and discontinued mines, if so, the payment of corresponding dead rent there against may be verified	According to the information and explanations given to us and on perusal of the mining plans submitted to us, the Holding company has not disbanded or discontinued any mines during the year.
16	Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?	Reference is invited to Para 14, 16 & 17 of the Basis of Qualified Opinion in the Audit Report.

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 25229921 BML EBA 2128



For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S

*Satish Kumar*

(Ch. Satish Kumar)

Partner

Membership No.: 229921





### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(h) under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date to the members of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") on the Consolidated financial statements for the year ended March 31, 2024)

#### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We were engaged to audit the internal financial controls over financial reporting of The Andhra Pradesh Mineral Development Corporation Limited ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries referred to as "The Group"), its associates and jointly controlled entities as of March 31, 2024 in conjunction with our audit of the Consolidated financial statements of the Group for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company included in the Group are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Holding Company, considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these Consolidated financial statements.





### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Disclaimer of Opinion:

According to the information and explanations given to us, the Holding Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March, 2024.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of Consolidated Financial Statements of the company, and the disclaimer does not affect our opinion on the Consolidated Financial Statements of the Company.

For M. N. Rao & Associates  
Chartered Accountants  
Firm Reg. No: 005386S



*Satish Kumar*  
(Ch. Satish Kumar)

Partner

Membership No.: 229921

Place: Vijayawada

Date: 05-Feb-2025

UDIN: 2522 9921 BMLE BA2128

The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated balance sheet as at March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Sr No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
1) Non-current assets			
(a) Property, plant and equipment	3	7,210	8,121
(b) Right-of-use assets	3.1	133	102
(c) Capital work in progress	3.2	556	914
(d) Intangible assets	3.3	1,95,406	1,56,987
(e) Intangible assets under development	3.4	8,906	6,316
(f) Financial assets			
(i) Investments	4	1,413	1,068
(ii) Loans	5	383	338
(iii) Other financial assets	6	6,665	99,399
(g) Deferred tax assets (net)	7	-	111
(h) Other non-current assets	8	43,676	52,962
<b>Total non-current assets</b>		<b>2,64,348</b>	<b>3,36,470</b>
2) Current assets			
(a) Inventories	9	20,731	18,482
(b) Financial assets			
(i) Trade receivables	10	74,564	37,477
(ii) Cash and cash equivalents	11	28,899	39,874
(iii) Other bank balances	11	66,733	63,705
(iv) Loans	12	30,076	30,131
(v) Other financial assets	13	1,038	5,043
(c) Other current assets	14	29,480	16,775
<b>Total current assets</b>		<b>2,51,523</b>	<b>2,13,484</b>
<b>TOTAL ASSETS</b>		<b>5,15,869</b>	<b>5,47,954</b>
<b>EQUITY AND LIABILITIES</b>			
1) Equity			
(a) Equity share capital	15	631	631
(b) Other equity	16	3,00,286	3,23,837
<b>Total equity</b>		<b>3,00,917</b>	<b>3,24,468</b>
2) Liabilities			
2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	55,974	49,035
(a) Lease Liability		-	-
(ii) Other financial liabilities	18	6,111	36,547
(b) Provisions	19	9,453	10,012
(c) Deferred tax liability (net)	7	12,653	-
(d) Other non-current liabilities	20	254	254
<b>Total non-current liabilities</b>		<b>84,475</b>	<b>95,848</b>
3) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	21	15,498	10,800
(ii) Lease liability	22	134	113
(iii) Trade payables	23	19,437	18,468
(iv) Other financial liabilities	24	11,313	37,824
(b) Other current liabilities	25	57,943	44,926
(c) Current tax liabilities	26	14,455	15,507
<b>Total current liabilities</b>		<b>1,30,677</b>	<b>1,27,637</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,15,869</b>	<b>5,47,954</b>

Notes to financial statements

1-70

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For M M RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

Satish Kumar  
Ch. Satish Kumar  
Partner  
Mem No. 229921



Mukesh Kumar Meena  
Managing Director  
DIN: 01237591

G. Rama Subbaiah  
Director  
DIN: 01915409

V.V.V. Phani Kumar  
General Manager - F&A



Place : Vijayawada

Date : February 05, 2025

UDIN: 25229921 BMLF BA 2128

**The Andhra Pradesh Mineral Development Corporation Limited**  
**Consolidated statement of profit and loss for the year ended March 31, 2024**  
 All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	27	3,84,059	2,10,191
II Other income	28	12,725	9,820
III Total income (I+II)		3,96,784	2,20,011
IV Expenses			
Change in inventories of finished goods	29	(2,702)	(9,678)
Employee benefits expense	30	5,254	5,164
Finance costs	31	7,678	8,550
Depreciation and amortization expense	32	21,152	3,516
Power and fuel	33	870	948
Excavation and transport charges	34	1,09,889	76,271
Other expenses	35	1,10,757	53,716
Total expenses (IV)		2,53,393	1,38,486
V Profit before tax (III-IV)		1,43,391	81,524
VI Share of Profit/(Losses) of joint ventures and associates		378	219
VII Tax expense/(benefit)			
Current tax	36	24,563	19,640
Deferred tax	36	12,874	2,212
Total tax expense/ (benefit) (VI)		37,438	21,852
VIII Profit for the year (V+VI-VII)		1,06,331	59,891
IX Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re measurement of post employment benefit obligations)		(15)	(324)
(ii) Items that will not be reclassified to profit or loss of IV		3	2
(iii) Income tax on above items		-	-
Total other comprehensive income for the year (IX)		(12)	(322)
X Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the Year) (VIII+IX)		1,06,319	59,569
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	1,68,613.73	94,971.37
- Diluted (Rs.)		1,68,613.73	94,971.37
Notes to financial statements	1-70		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For M N RAD & ASSOCIATES

Chartered Accountants

Firm Regn No. 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*My*  
Mukesh Kumar Meena

Managing Director

D-N 01232593

*G. Rama Subbaiah*

G. Rama Subbaiah

Director

DIN: 10915409

*Thani*

V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 05, 2025 UDTN: 252299213MLEBBA2128



**The Andhra Pradesh Mineral Development Corporation Limited**

Statement of changes in equity for the year ended March 31, 2024

**A. Equity share capital**

(Rs. In Lakhs)

Particulars	No. of Shares	Amount
Balance as at April 1, 2022	63,062	631
Changes in equity share capital during 2022-23	-	-
Balance as at April 1, 2023	63,062	631
Changes in equity share capital during 2023-24	-	-
Balance as at March 31, 2024	63,062	631

**B. Other equity**

(Rs. In Lakhs)

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2022	110	1,531	17,216	2,45,255	(57)	(17)	(30)	2,64,008
Profit for the year	-	-	-	59,893	-	-	-	59,893
Free ride equity shares in Joint Ventures	260	-	-	-	-	-	-	260
Other comprehensive income for the year	-	-	-	-	-	(122)	-	(122)
Total comprehensive income for the year	260	-	-	59,893	-	(122)	-	59,829
Transfer to reserve for bad and doubtful debts	-	616	-	(616)	-	-	-	-
Balance as at March 31, 2023	370	2,147	17,216	1,04,529	(57)	(139)	(30)	1,23,838
Free ride equity shares in Joint Ventures	130	-	-	-	-	-	-	130
Profit for the year	-	-	-	1,06,331	-	-	-	1,06,331
Other comprehensive income for the year	-	-	-	-	-	(12)	-	(12)
Total comprehensive income for the year	130	-	-	1,06,331	-	(12)	-	1,06,449
Interim Dividend (FY 2023-24)	-	-	-	(90,000)	-	-	-	(90,000)
Interim Dividend (FY 2022-23)	-	-	-	(40,000)	-	-	-	(40,000)
Transfer to reserve for bad and doubtful debts	-	2,741	-	(2,741)	-	-	-	-
Balance as at March 31, 2024	500	4,888	17,216	1,78,119	(57)	(151)	(30)	1,90,285

As per our report of even date

For and on behalf of the Board of Directors

For M N Rao & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

*Satish Kumar*

Ch. Satish Kumar

Partner

Mem No. 229921



*Mr. Mahesh Kumar Meena*

Managing Director

DIN: 01232593

*G. Rama Subbalaksh*

G. Rama Subbalaksh

Director

DIN: 10915405

*V.V.V. Phani Kumar*

V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 05, 2025

UDIN: 25229921 BMLEBA2128





The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated cash flow statement for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	1,43,763	31,743
Adjustments for:		
Interest expense	8,274	7,703
Unwinding of discounting on provisions	801	701
Interest income	(11,608)	(9,470)
Depreciation and amortization expense	23,157	3,516
Provision for bad & doubtful advances	2,571	1,146
Bad & doubtful debts	476	
Assets written off		562
Liabilities no longer required written back	(71)	(51)
Operating profit before working capital changes	1,63,967	87,247
Adjustments for:		
Increase/(decrease) in trade payables	969	7,144
Increase/(decrease) in provisions	(3,878)	(3,241)
Increase/(decrease) in other Financial liabilities	(45,052)	2,343
Increase/(decrease) in other liabilities	13,017	38,936
Decrease/(increase) in trade receivables	(32,564)	(10,756)
Decrease/(increase) in inventories	(2,249)	(9,696)
Decrease/(increase) in other assets	6,204	(31,017)
Decrease/(increase) in other financial assets	96,739	(10,254)
Cash generated from operations	1,92,153	70,706
Direct taxes paid (net of refunds)	(5,617)	4,575
Net cash flow from/(used in) operating activities (A)	1,66,536	66,131
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, C&IP and capital advances	(60,871)	(21,474)
Movements in other bank balances	(3,078)	(30,600)
Loans to SdM	10	274
Interest received	11,608	9,470
Dividend income	165	130
Proceeds from sale of NSC bonds		36
Net cash flow from/(used in) investing activities (B)	(52,117)	(42,144)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	11,637	9,283
Interest paid	(6,874)	(7,001)
Payment of lease liability	(135)	(179)
Dividends paid including Interim Dividend	(1,30,000)	
Net cash flow from/(used in) financing activities (C)	(1,25,392)	2,151
Net increase/decrease in cash and cash equivalents (A+B+C)	(10,972)	26,138
Cash and cash equivalents at the beginning of the year	39,871	13,733
Cash and cash equivalents at the end of the year	28,899	39,871
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	1
Balances with scheduled banks		
With current accounts	28,898	39,871
<b>Total cash and cash equivalents (Note 11)</b>	<b>28,899</b>	<b>39,871</b>

The accompanying notes are an integral part of these consolidated financial statements.

a. Figures in brackets indicate outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report of even date

For and on behalf of the Board of Directors

For M N RAD & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053365

Satish Kumar

Ch. Satish Kumar

Partner

Mem No. 229921



Mukesh Kumar Meen

Managing Director

D No: 01272593

G. Rama Subbalak

Director

DIN: 10915416

V.V.V. Phani Kumar

General Manager - F&A



Place : Vijayawada

Date : February 05, 2025 UDTW: 2522, 9921 BMLFBA 2128



## Notes to the consolidated financial statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit plans which are measured at fair values/ amortised cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- I. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses, in accordance with Indian accounting standard 11D - "Consolidated Financial Statements".
- II. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- III. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- IV. A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.



Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

- V. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- VI. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

In the process of applying the group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:



### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

### **e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.



All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

**iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.





The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

**g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis. except for certain assets where the useful life is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.





At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.



**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 54).

**m. Employee benefits**

**Short term employee benefit obligations**

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



**Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

**Defined benefit plan**

The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

**n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to



apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.





Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.





**r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

##### **iv. De-recognition of financial assets**

The group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.



**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.





Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.





**The Andhra Pradesh Mineral Development Corporation Limited**

Property, Plant and Equipment, Capital work in progress, Intangible assets, Intangible assets under development, Right of use asset for the year ended March 31, 2024

Note - 3

(Rs. in Lakhs)

**Property, Plant And Equipment For The Year Ended 31.03.2024**

Particulars	Gross Block			Depreciation Block					Net Block		
	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Impairment Loss*	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at March 31, 2024	Net Block as at March 31, 2024	Net Block as at March 31, 2023
Land	5,536	132	-	5,668	-	-	-	-	-	5,668	5,536
Quarries & Paved Constructions	423	19	-	442	266	18	-	-	284	164	167
Mining Equipment	722	-	-	722	987	25	-	-	613	109	135
Furniture & Fixtures	194	135	-	329	149	11	-	-	161	167	85
Office Equipment	250	17	-	267	278	11	-	-	289	37	31
Data Processing Equipment	207	76	-	283	255	70	-	-	308	65	59
Vehicles	327	-	-	327	194	59	-	-	253	94	133
Tents & Mats	138	15	-	153	57	57	-	-	114	40	81
Plant & Machinery	3,477	203	-	3,679	1,526	546	914	-	2,802	874	1,971
Leasehold building	255	-	-	255	242	242	-	-	242	13	13
Total	11,637	593	-	12,229	3,466	699	914	-	5,079	7,210	8,171
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
Total	11,637	593	-	12,229	3,466	699	914	-	5,079	7,210	8,171
Previous year - 2022-23	8,696	2,962	12	11,657	2,999	476	-	10	3,466	8,171	5,687

\*As per directions of the Government of AP Corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SS&LM department, Government of AP and licensed contractors on turnkey basis. Out of the four units, Ballakurava unit in Prakasam district has commenced operations in the year 2022-2023 and stopped production in the month of August, 2023. In view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Accordingly, an amount of Rs 914.00 lakhs has been recognised as an impairment costs.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2023	Additions	Disposals/ adjustments/ transfer	Cost as at March 31, 2024	Accumulated Depreciation as at April 1, 2023	Depreciation For the Year	Disposal / Adjustments / Transfer	Accumulated Depreciation as at March 31, 2024	Net Block as at March 31, 2024	Net Block as at March 31, 2023
Right of use asset	274	196	274	199	171	140	274	37	133	102
<b>Total</b>	<b>274</b>	<b>196</b>	<b>274</b>	<b>199</b>	<b>171</b>	<b>140</b>	<b>274</b>	<b>37</b>	<b>133</b>	<b>102</b>
Previous year - 2022-23	<b>333</b>	<b>185</b>	<b>245</b>	<b>274</b>	<b>290</b>	<b>114</b>	<b>238</b>	<b>173</b>	<b>102</b>	<b>42</b>



**Note 3.2 Capital work in progress**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	914	1,144
Add: Additions during the year	529	5,035
Less: Transferred to Property, Plant & Equipment	193	5,665
Closing Gross Carrying Value	1,250	914
Accumulated Impairment Allowance		
Balance at the Beginning of the year	-	-
Add: Additions during the year	705	-
Closing Accumulated Impairment Allowance	705	-
Closing net carrying value	556	914

**Capital work in progress Ageing Schedule as at 31.03.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	216	340	-	-	556
Projects temporarily suspended	-	470	235	-	705

**Capital work in progress Ageing Schedule as at 31.03.2023**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	445	470	-	-	914
Projects temporarily suspended	-	-	-	-	-

As per directions of the Government of AP, corporation has initiated setting up of Four (4) granite stone cutting units in the districts of Prokasham, Chittoor, Ananthapuram and Srisakulam for supply of survey stones to the SS&LR department, Government of AP and finalised contractors on turnkey basis. Out of the four units, Balakuram unit in Prokasham district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining Three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs. 705.00 lakhs has been recognised as an impairment costs.

**3.3 Intangible Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software	345	2
Decommissioning Assets	6,570	3,081
Mining Infrastructure Assets	1,54,642	1,48,905
Mining Infrastructure Assets - R&B - Mpet	11,849	-
<b>Total</b>	<b>1,95,406</b>	<b>1,56,087</b>

**A. Computer Software**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	34	34
Add: Additions during the year	389	0
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	423	34
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	12	31
Add: Additions during the year	45	1
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	77	32
Net carrying value	345	2

**B. Decommissioning Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	8,345	9,345
Add: Additions during the year	-	0
Less: Disposals/ adjustments/transfer	1,162	-
Closing Gross Carrying Value	7,184	9,345
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	264	88
Add: Additions during the year	349	176
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	613	264
Net carrying value	6,570	9,081



**C. Mining Infrastructure Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	1,51,578	1,46,100
Add: Additions during the year	13,434	15,578
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	1,65,112	1,51,678
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	2,724	29
Add: Additions during the year	7,035	1,744
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,470	2,774
Net carrying value	1,54,642	1,48,905

Corporation has incurred an amount of Rs 1,51,578 lakhs till the end of previous financial year on its Sullivan coal mine project and same has been capitalised under mining infrastructure assets. Additionally, during the current year an amount of Rs.13,434 lakhs has been capitalised and amortised based on the unit of production method.

**D. Mining Infrastructure - R&R - Mpet**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	-	-
Add: Additions during the year	44,513	-
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	44,513	-
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	10,664	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	10,664	-
Net carrying value	33,849	-

Corporation has paid an amount of Rs.44,513 lakhs from time to time to the district administration towards R&R costs in connection with the Mangampet barytes project. During the year, this amount has been capitalised under Intangible assets - R&R Mangampet and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.

**3.4 Exploration Intangible assets under development**

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount at beginning	5,315	4,031
Add: Additions during the year	2,590	2,945
Less: Disposals/ adjustments/transfer	-	660
Closing Gross Carrying Value	8,905	6,316
Accumulated Amortisation & Impairment		
Balance at the beginning of the year	-	-
Add: Additions during the year	-	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	-	-
Net carrying value	8,905	6,316

**Exploration intangible assets under development Ageing schedule as at 31.03.2024**

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,785	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,906

**Exploration intangible assets under development Ageing schedule as at 31.03.2023**

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,785	4,031	-	-	6,316
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					6,316



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the year ended March 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at	As at
		March 31, 2024	March 31, 2023
	Unquoted equity instruments - Investments measured at cost investment in subsidiary companies		
	i. M/s APMDC - SCCI subsidiary coal company limited 5,100 equity shares (March 31, 2024: 5,100) of Rs 10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s Nudgaon coal company limited 3,000 equity shares (March 31, 2024: 3,000) of Rs 100/- each fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s Andhra phosphate (P) Ltd 1,110 equity shares (March 31, 2024: 1,100) of Rs 1,000/- each fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	v. M/s Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2024: 56,100) of Rs 10/- each fully paid up	6	5
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	vi. M/s. Aswani mineral development private limited. 65,000 equity shares (March 31, 2024: 65,000) of Rs 10/- each fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vii. M/s SRAP mineral private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	viii. M/s. Arghun minerals exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	ix. M/s Igra mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s Mangalore granites private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	xi. M/s Ongole mineral exports private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s RLP granite private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xiii. M/s A.P. coastal sands & metals private limited, 13,000 equity shares (March 31, 2024: 13,000) of Rs 10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s Andhra Pradesh Iron Mining private limited 28,600 equity shares (March 31, 2024: 28,600) of Rs 10/- each fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



<p>iii. Sameeksha Granite Private limited 13,00,000 equity shares(March 31, 2024- 13,00,000) of Rs 10/- each fully paid up</p>	6	80
<p>iv. Naandhi Granites India Private limited 13,00,000 equity shares(March 31, 2024- 13,00,000) of Rs 10/- each fully paid up</p>	127	129
<p>vi. Shambhan stones AP Private limited (Refer note 58) 13,00,000 equity shares(March 31, 2024- 13,00,000) of Rs 10/- each fully paid up</p>	128	
<p>Investment in Joint Ventures</p>		
<p>xii. M/s A.P granites (midwest) private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.10/- each fully paid up</p>	1,152	860
<p>xiii. M/s, Atanice A.P black gneiss granites private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	110 (110)	110 (110)
<p>xiv. M/s Palavand granite private limited 11,00,000 equity shares(March 31, 2024- 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares</p>	110 (110)	110 (110)
<p>xv. M/s Gmpes AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024- 1,320) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	0 (0)	0 (0)
<p>xvi. M/s Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024- 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	85 (85)	85 (85)
<p>xvii. M/s Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024- 6,850) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	1 (1)	1 (1)
<p>xviii. M/s Triplex baryte private limited 4,50,000 equity shares(March 31, 2024- 4,50,000) of Rs 10/- each fully paid up Less: Provision made for diminution in the value of shares</p>	45 (45)	45 (45)
<p>xix. M/s V.V. minerals private limited 1,100 equity shares(March 31, 2024- 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares</p>	1 (1)	1 (1)
<p>Investments measured at Amortised cost</p>		
<p>Investment in Government Securities (unquoted) Less: Provision made for doubtful investment</p>	71 (71)	71 (71)
	1,413	1,048
Aggregate amount of quoted investments - Market value		-
Aggregate amount of quoted investments - Book value		-
Aggregate amount of Unquoted investments	1,413	770
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71





5	Loans (Non-current)	As at March 31, 2024	As at March 31, 2023
	Loans and advances to employees		
	Unsecured, considered good	383	338
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>383</b>	<b>338</b>
6	Other financial assets (Non-current)	As at March 31, 2024	As at March 31, 2023
	Security Deposits		
	Unsecured, considered good	257	236
	Unsecured, considered doubtful	93	93
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>257</b>	<b>236</b>
	Balance in current accounts (frozen)	204	198
	Bank Deposits with more than 12 months maturity	4,450	42,609
	Sweep accounts	-	809
	Deposit in Bank under Mine Closure account	1,754	554
	Unsecured, considered doubtful	-	-
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>6,665</b>	<b>49,399</b>
	Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened. During the Current Financial Year an additional amount of Rs. 12.00 crores has been deposited totalling to Rs 17.54 crores at the year end and no interest has been received during the year.		
7	Deferred tax liability (Net)	As at March 31, 2024	As at March 31, 2023
	Deferred tax asset		
	Provision for decommissioning costs	2,363	2,472
	Provision for lease liability / assets	0	3
	Provision for bad & doubtful debts, Investments & advances	3,441	7,819
	<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,257	1,879
	Investment	85	85
	Mining Infrastructure asset	5,607	3,113
	Mining Infrastructure Assets - R&A Mpet	5,519	-
	<b>Total deferred tax liability</b>	<b>12,468</b>	<b>5,083</b>
	<b>Net deferred tax (asset)/liability</b>	<b>12,663</b>	<b>(233)</b>
8	Other non-current assets	As at March 31, 2024	As at March 31, 2023
	A) Capital advances		
	Unsecured, considered good	2,696	2,394
	Unsecured, considered Doubtful	2,654	260
	Less: Provision for doubtful advances	(2,654)	(260)
	<b>Total</b>	<b>2,696</b>	<b>2,394</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,075	22,736
	Unsecured, considered Doubtful	5,212	4,935
	Less: Provision for doubtful advances	(5,212)	(4,935)
	<b>Total</b>	<b>14,075</b>	<b>22,736</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	26,257	17,832
	Unsecured, considered Doubtful	1,882	1,988
	Less: Provision for doubtful advances	(1,882)	(1,988)
	<b>Total</b>	<b>26,257</b>	<b>37,832</b>
	D) Prepaid expenses	648	-
	<b>Total (A+B+C+D)</b>	<b>43,676</b>	<b>62,962</b>



9	<b>Inventories</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Finished goods (Refer note: 5d)	20,603	18,397
	Less: Provision for obsolete stock	(8)	(8)
	Stores and spares	135	93
	<b>Total</b>	<b>20,731</b>	<b>18,482</b>
	Method of valuation: Refer Note to III of significant accounting policies		
10	<b>Trade receivables (Current)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Unsecured, considered good	73,843	77,260
	Unsecured, considered credit impaired	3,417	7,524
	Less: impairment allowance for doubtful debts	(3,417)	(13,524)
	Unbilled Receivables	721	4,217
	<b>Total</b>	<b>74,564</b>	<b>37,477</b>
	Refer note no 62		
11	<b>Cash and cash equivalents</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts	28,898	39,871
	Cash on hand	1	1
	<b>(A)</b>	<b>28,899</b>	<b>39,871</b>
	Other bank balances		
	Fixed deposits against bank guarantees	11,113	8,206
	Deposits with APSTSC	55,500	55,500
	<b>(B)</b>	<b>66,733</b>	<b>63,706</b>
	<b>Total</b>	<b>95,632</b>	<b>1,03,576</b>
12	<b>Loans (current)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Vehicle loans to staff		
	Secured, considered good	14	72
	Unsecured, considered good		
	Loan to AP state Fiber net Limited & Machilipatnam Urban		
	Development Authority- Refer Note: 5D & 5E	70,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	62	109
	<b>Total</b>	<b>30,076</b>	<b>30,131</b>
13	<b>Other financial assets (Current)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	Interest accrued on deposits		
	Unsecured, considered good	1,283	5,287
	Less: Provision for the doubtful portion	(244)	(244)
	<b>Total</b>	<b>1,038</b>	<b>5,043</b>
14	<b>Other current assets</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	A) Advances recoverable		
	Unsecured, considered good	745	604
		<b>745</b>	<b>604</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	27,555	14,235
	Prepaid expenses	990	1,785
	Others	190	150
	<b>Total</b>	<b>28,735</b>	<b>16,171</b>
	<b>Total</b>	<b>29,480</b>	<b>16,775</b>



15	Equity share capital	As at March 31, 2024	As at March 31, 2023
<b>Authorised share capital:</b> 1,00,000 equity shares of Rs 1,000/- each (March 31, 2024 - 1,00,000 equity shares of Rs 1,000/- each)		1,000	1,000
		1,000	1,000
<b>Issued, subscribed and fully paid up share Capital:</b> 63,062 equity shares of Rs 1,000/- each fully paid up (March 31, 2024 - 63,062 equity shares of Rs 1,000/- each)		631	631
		631	631
<b>15.1 Additional notes</b>			
<b>Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period</b>			
Particulars	As at March 31, 2024	As at March 31, 2023	
Shares outstanding at the beginning of the year	63,062	63,062	
Shares issued during the year	-	-	
Shares outstanding at the end of the year	63,062	63,062	
<b>15.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>15.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
Name of the share holder	As at March 31, 2024	As at March 31, 2023	
Governor of the Andhra Pradesh represented by assistant secretary to Government (Mineral Industries & Commerce department)	63,059 (99.955%)	63,059 (99.955%)	
<b>15.4 Details of Shareholding of Promoters</b>			
Name of the share holder	As at March 31, 2024	As at March 31, 2023	
Governor of the Andhra Pradesh represented by assistant secretary to Government (Mineral Industries & Commerce department)	63,059 (99.955%)	63,059 (99.955%)	
<b>16 Other equity</b>			
Capital reserves	As at March 31, 2024	As at March 31, 2023	
<b>Free reserve equity shares for consideration other than cash allotted by</b>			
i) M/s. Aswan mineral development private limited 65,000 equity shares (March 31, 2024 - 65,000) of Rs. 10/- each fully paid up	7	7	
Less: Provision made for diminution in the value of shares	(7)	(7)	
ii) M/s. SRAP mineral private limited 3,75,000 equity shares (March 31, 2024 - 3,75,000 of Rs. 10/- each fully paid up	33	33	
Less: Provision made for diminution in the value of shares	(33)	(33)	
iii) Arnam mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs. 10/- each fully paid up	13	13	
Less: Provision made for diminution in the value of shares	(13)	(13)	
iv) Iora mineral exports private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs. 10/- each fully paid up	13	13	
Less: Provision made for diminution in the value of shares	(13)	(13)	
v) Margasree minerals private limited 1,30,000 equity shares (March 31, 2024 - 1,30,000) of Rs. 10/- each fully paid up	13	13	
Less: Provision made for diminution in the value of shares	(13)	(13)	



vi. Ongole Minerals exports private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33 (33)	33 (33)
Less: Provision made for diminution in the value of shares		
vii. R/P granite private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33 (33)	33 (33)
Less: Provision made for diminution in the value of shares		
viii. M/s A P granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
ix. M/s Alliance A P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
x. M/s Palavared granites private limited 1,10,000 equity shares(March 31, 2024: 1,10,000) of Rs.100/- each fully paid up	110 (110)	110 (110)
Less: Provision made for diminution in the value of shares		
xi. M/s A.P.coastal sands & metals private limited 13,000 equity shares(March 31, 2024: 13,000) of Rs.10/- each fully paid up	1 (1)	1 (1)
Less: Provision made for diminution in the value of shares		
xii. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2024: 56,100) of Rs.10/- each fully paid up	6 (6)	6 (6)
Less: Provision made for diminution in the value of shares		
xiii. M/s.Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs.10/- each fully paid up	0 (0)	0 (0)
Less: Provision made for diminution in the value of shares		
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) Rs.10/- each fully paid up	85 (85)	85 (85)
Less: Provision made for diminution in the value of shares		
xv. M/s.Andhra Pradesh iron ore company limited 5,850 equity shares(March 31, 2024: 5,850) of Rs.10/- each fully paid up	1 (1)	1 (1)
Less: Provision made for diminution in the value of shares		
xvi. M/s Trimex baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up	45 (45)	45 (45)
Less: Provision made for diminution in the value of shares		
xvii. M/s V.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up	1 (1)	1 (1)
Less: Provision made for diminution in the value of shares		
xviii. Sampulatha Grande Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130 (130)	130 (130)



xix. Naandhi Granites India Private Limited. 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up		130	130
xx. Shamshavistones AP Private Limited. 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up		130	130
		500	370
Other comprehensive income			
Opening balance		(426)	(104)
Other comprehensive income for the year		(12)	(372)
Add/(less): Transferred from/(to) retained earnings		-	-
Closing balance		(438)	(426)
Reserve for bad and doubtful debts			
Opening balance		2,147	2,531
Add/(less): Transferred from/to profit and loss account		2,741	616
Closing balance		4,889	2,147
General reserve			
Opening balance		17,216	17,216
Closing balance		17,216	17,216
Retained earnings			
Opening balance		3,04,529	2,45,255
Add/(less): Profit for the year		1,06,331	59,891
		4,10,860	3,05,145
Less: Appropriations			
Reserve for bad and doubtful debts		2,741	616
Interim Dividends		1,30,000	-
Total appropriations		1,32,741	616
Closing balance		2,78,119	3,04,529
Total		3,00,286	3,23,637

Nature and purpose of reserves	
General reserve	
General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.	
Reserve for bad and doubtful debts	
Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.	
Retained earnings	
Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.	

17	Borrowings	As at March 31, 2024	As at March 31, 2023
	Rupee Term Loan from Banks - Secured		
	From State Bank of India	55,974	49,035
	Total	55,974	49,035
Term Loan of Rs.918 Crores availed from State Bank of India, Industrial Finance Bank, Guntur with ROI of (MCLR+0.25%); 6 months MCLR for Development of 50-year Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly installment of Rs.9 crores in 5 years 10 months. The company has been regular in repayment of principal and interest on due dates.			





18	Other Financial liabilities (Non-current)	As at March 31, 2024	As at March 31, 2023
	Expenses payable against infrastructure development	1,483	1,708
	Others	4,475	13,166
	Deposits	173	173
	<b>Total</b>	<b>6,131</b>	<b>35,047</b>
19	Provisions (Non current)	As at March 31, 2024	As at March 31, 2023
	Provision for employee benefits	-	-
	Provision for gratuity	65	191
	Provision for others:	-	-
	Provision for decommissioning cost *	9,168	9,822
	<b>Total</b>	<b>9,453</b>	<b>10,012</b>
* Refer Note no 61			
20	Other non-current liabilities	As at March 31, 2024	As at March 31, 2023
	Others	-	-
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
21	Borrowings (Current)	As at March 31, 2024	As at March 31, 2023
	Rupee Term Loan from Banks - Secured	-	-
	From State Bank of India	-	-
	Current maturities term loan	10,800	10,800
	Cash Credit	4,698	-
	<b>Total</b>	<b>15,498</b>	<b>10,800</b>
Term loan of Rs.918 Crores availed from State Bank of India, Industrial Finance Bank, Gujrat with RCI of (MCLR+0.25%) 6 months MCLR for Development of Suliyan Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly instalment of Rs.9 crores in 9 years 10 months. The company has been regular in repayment of principal and interest on due dates.			
Cash Credit limits of Rs.100 crores with RCI of (MCLR+0.12%) 6 months MCLR availed on 23.09.2023 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (both present & future) of the company.			
22	Particulars	As at March 31, 2024	As at March 31, 2023
	Leave liability (Refer note no 60)	134	113
	<b>Total</b>	<b>134</b>	<b>113</b>
23	Trade payables (Current)	As at March 31, 2024	As at March 31, 2023
	Trade payables (Refer Note.62)	-	-
	Dues of micro enterprises and small enterprises	-	-
	Dues of creditors other than micro enterprises and small enterprises	19,437	18,468
	<b>Total</b>	<b>19,437</b>	<b>18,468</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.			
	Particulars	As at March 31, 2024	As at March 31, 2023
	a) Principal amount and interest due thereon	-	-
	b) Interest payable in terms of section 16 of MSMED Act	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
	d) Interest received and remaining unpaid at the end of the year	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			



24	Other financial liabilities (Current)		As at March 31, 2024	As at March 31, 2023
	Salaries & other benefits payable		142	120
	Earnest money and security deposits from customers		18,222	21,157
	Other financial liabilities		6,649	16,546
	Total		23,013	37,823
25	Other current liabilities		As at March 31, 2024	As at March 31, 2023
	Advance from customers		44,090	29,601
	Statutory liabilities		11,851	15,145
	Other liabilities			180
	Total		57,943	44,926
26	Current tax liabilities		As at March 31, 2024	As at March 31, 2023
	Provision for income tax		14,453	15,507
	Total		14,453	15,507



**The Andhra Pradesh Mineral Development Corporation Limited**  
**Notes to consolidated financial statements for the year ended March 31, 2024**  
All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the year ended March 31, 2024	For the year ended March 31, 2023
	Sale of products		
	Barytes	1,43,304	1,33,420
	Coal	2,09,245	64,888
	Survey stores	27,545	8,189
	Sale of services		
	Consideration	3,966	3,694
	<b>Total</b>	<b>3,84,059</b>	<b>2,10,191</b>
28	Other income	For the year ended March 31, 2024	For the year ended March 31, 2023
	Interest income		
	Bank deposits	11,256	8,386
	Loans	7	1
	Others	137	907
	Other non operating income		
	Rent receipts	8	8
	Forfeiture of security deposit	875	230
	Sale of tender documents	33	11
	Other receipts (HSD Commission)	214	155
	Interest on delay in payment of minimum consideration	0	20
	Liabilities no longer required written back	71	54
	Penalties on buyers and millers	7	
	Other miscellaneous income	123	48
	<b>Total</b>	<b>12,725</b>	<b>9,820</b>
29	Changes in inventories of finished goods	For the year ended March 31, 2024	For the year ended March 31, 2023
	a) Opening stock of finished goods	18,397	8,719
		18,397	8,719
	b) Closing stock of finished goods	20,603	18,397
		20,603	18,397
	<b>Changes in inventories of finished goods</b>	<b>(2,207)</b>	<b>(9,678)</b>
30	Employee benefit expenses	For the year ended March 31, 2024	For the year ended March 31, 2023
	Salaries and wages	3,814	3,795
	Contribution to provident fund and other funds	989	880
	Staff welfare expenses	451	489
	<b>Total</b>	<b>5,254</b>	<b>5,164</b>
31	Finance costs	For the year ended March 31, 2024	For the year ended March 31, 2023
	Unwinding of discount on provision	804	701
	Interest on lease liability	8	13
	Interest	6,441	6,989
	Other interests	535	846
	<b>Total</b>	<b>7,678</b>	<b>8,550</b>



32	<b>Depreciation and Amortization expense</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Depreciation of Property, Plant and Equipment	639	476
	Amortization of intangible assets	18,754	2,922
	Depreciation on right of use assets	140	119
	Impairment expenses	1,619	-
	<b>Total</b>	<b>21,152</b>	<b>3,517</b>
33	<b>Power and fuel</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Power and Fuel	870	948
	<b>Total</b>	<b>870</b>	<b>948</b>
34	<b>Excavation and transport charges</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Excavation & transport charges for run of mine	6,120	6,545
	Excavation & transport charges for overburden	37,392	37,658
	Excavation of coal & OB Removal	66,376	32,068
	<b>Total</b>	<b>1,09,889</b>	<b>76,271</b>
35	<b>Other expenses</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	Rents	11	21
	Repairs & maintenance	165	263
	Insurance	10	13
	<b>Rates and taxes</b>		
	Royalty	30,505	13,962
	DMF	5,109	3,565
	NMET	610	322
	Cess	624	558
	Revenue price	20,212	6,343
	MPGSVA Exp	7,218	7,765
	Forest tax coal exp	2,868	810
	Other rates and taxes	664	384
	<b>Administrative and Selling Expenses</b>		
	Operating expenses	766	128
	Purchase of survey stones	24,574	7,272
	Discount on sales	-	335
	Transport and wagon loading charges	1,244	591
	Selling expenses	346	687
	Prospecting & Mining Lease expenses	938	705
	Office & General expenses	1,926	1,685
	Payment to auditors (refer note no 35.1)	19	10
	Audit fee for other auditors	75	11
	Printing & stationery	70	77
	Corporate Social Responsibility Expenses ( Refer Note No.48)	3,545	2,054
	Remuneration to outsourced services	4,966	5,014
	Bad & Doubtful Debts	476	-
	Assets written off	-	662
	Provision for doubtful advances	2,571	3,146
	Data processing charges	73	67
	Rehabilitation expenses	1,798	7,738
	Donations	-	503
	Miscellaneous expenditure	31	27
	<b>Total</b>	<b>1,10,757</b>	<b>53,716</b>



35.1	Payment to Auditors	For the year ended March 31, 2024	For the year ended March 31, 2023
	Statutory audit Fee	13	10
	<b>Total</b>	<b>13</b>	<b>10</b>
<b>36 Income Tax</b>			
The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:			
	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current Tax Expenses :</b>			
	Current Income tax charge	24,563	19,640
	<b>Total (A)</b>	<b>24,563</b>	<b>19,640</b>
<b>Deferred Tax Expenses:</b>			
	In respect of current year origination and reversal of temporary differences	12,874	2,212
	<b>Total (B)</b>	<b>12,874</b>	<b>2,212</b>
	<b>Total (A+B)</b>	<b>37,438</b>	<b>21,852</b>
<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to P&L	For the year ended March 31, 2024	For the year ended March 31, 2023
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(75)	(139)
	Leave encashment	60	(185)
	<b>Total</b>	<b>(15)</b>	<b>(324)</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:			
	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	<b>Profit/(loss) before tax as per statement of profit and loss</b>	<b>1,43,391</b>	<b>81,524</b>
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	computed tax expense	36,089	20,518
	<b>Tax effect of :</b>		
	a) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	12,874	2,212
	b) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	892	517
	b) Change in depreciation & Amortisation	(13,210)	(3,077)
	c) Provision for doubtful debts	647	792
	d) Other items	146	886
	<b>Total income tax expense for the year</b>	<b>37,438</b>	<b>21,852</b>





**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.03.2024	As at 31.03.2023
A	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,547
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land measuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax	600	600
v	The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.100 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.		
	The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.		



	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04,2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>85,765</p> <p>13,228</p>	<p>73,469</p> <p>12,296</p>
Vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2022-23, the total demand raised, deposits made and remining un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>2,262</p>



<b>B</b>	Contingent liability on BG's: Bank guarantees furnished to different Authorities on behalf of the company.	80,274	80,274
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 2023-2024, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	<b>469</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,413	-	1,413
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other bank balances	-	-	66,733	-	66,733
Other financial assets	-	75	7,628	-	7,703
<b>Total</b>	-	<b>75</b>	<b>2,09,696</b>	-	<b>2,09,771</b>
<b>Financial Liabilities:</b>					
Borrowings	-	-	-	71,472	71,472
Lease Liability	-	-	-	134	134
Trade payables	-	-	-	19,437	19,437
Other financial liabilities	-	-	-	29,143	29,143
<b>Total</b>	-	-	-	<b>1,20,186</b>	<b>1,20,186</b>

As at 31st March, 2023

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,068	-	1,068
Loans	-	-	30,470	-	30,470
Trade receivables	-	-	37,477	-	37,477
Cash and Cash equivalents	-	-	39,871	-	39,871
Other Bank balances	-	-	63,705	-	63,705
Other Financial assets	-	73	1,04,369	-	1,04,442
<b>Total</b>	-	<b>73</b>	<b>2,75,960</b>	-	<b>2,77,033</b>



<b>Financial Liabilities:</b>				
Borrowings	-	-	59,835	59,835
Lease Liability	-	-	113	113
Trade payables	-	-	18,468	18,468
Other financial liabilities	-	-	74,370	74,370
<b>Total</b>	-	-	<b>1,52,787</b>	<b>1,52,787</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

Expected credit loss for trade receivables under simplified approach is as under:

Particulars	2023-24	2022-23
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,524
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,524
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	2023-24	2022-23
Ageing	<12 Months	<12 Months
Gross carrying amount	74,564	37,477
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	74,564	37,477

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:





#### i. Commercial risk

##### a. Sale price risk

Particulars	Impact on profit	
	2023-24	2022-23
Selling price increase by 5%		
Barytes & Coal	17,677	9,915
Survey Stones	1,377	409
Selling price decrease by 5%		
Barytes & Coal	(17,627)	(9,915)
Survey Stones	(1,377)	(409)

##### b. Excavation & Transport Charges risk

Particulars	Impact on profit			
	2023-24		2022-23	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(306)	306	(327)	327
Excavation & transport charges for overburden	(1,870)	1,870	(1,883)	1,883
Excavation of Coal & OB Removal	(3,319)	3,319	(1,603)	1,603

#### 40. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

As at 31st March 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>



**As at 31st March 2023**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	18,468	18,468	18,468	-
Non-current financial liabilities	85,582	85,582	-	85,582
Current financial liabilities	48,737	48,737	48,737	-
<b>Total</b>	<b>152,787</b>	<b>152,787</b>	<b>67,205</b>	<b>85,582</b>

**41. Employee Benefits**

**A. Defined Contribution Plan**

Particulars	As at 31-03-2024	As at 31-03-2023
Employers contribution to provident fund	173	178
Employers contribution to pension fund	78	62

**B. Defined benefit plans**

i. The following table set out the funded status of the gratuity plans (funded), leave Encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March 2023

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	694	546	706	498
Service cost	17	19	27	29
Interest expenses	47	38	52	35
Curtalement (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(139)	(44)	(36)	(36)
Remeasurements - actuarial (gains)/losses	65	134	(67)	178
<b>Benefit obligations at the end</b>	<b>684</b>	<b>694</b>	<b>682</b>	<b>706</b>



Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	503	510	822	801
Interest income	41	35	61	57
Employer contributions	224	5	6	5
Benefit payments from plan assets	(139)	(44)	(36)	(36)
Actuarial gain / (loss) on plan assets	0	0	(7)	(6)
<b>Benefit obligations at the end</b>	<b>519</b>	<b>503</b>	<b>845</b>	<b>822</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
PV of obligations at the end of the year	684	694	682	706
Fair value of plan assets at the end of the year	619	503	845	822
<b>Liability (+) / Asset (-) recognised in the balance sheet</b>	<b>65</b>	<b>191</b>	<b>(164)</b>	<b>(116)</b>

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Service cost	17	19	27	29
Interest expenses	6	2	(9)	(22)
<b>Net expense recognised</b>	<b>23</b>	<b>21</b>	<b>18</b>	<b>7</b>



iv. Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Actuarial (gain)/losses on obligations for the period	65	134	(67)	178
Actuarial (gain)/losses on plan assets for the period	10	5	7	6
<b>Net expense recognised</b>	<b>75</b>	<b>139</b>	<b>(60)</b>	<b>184</b>

Assumptions	Gratuity		Leave encashment	
	For the year ended		For the year ended	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Rate of discounting	7.21%	7.52%	7.21%	7.52%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	14.06%	13.29%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Expected cash flow in year 1	104	107	153	191
Expected cash flow in year 2	65	99	122	127
Expected cash flow in year 3	70	62	101	103
Expected cash flow in year 4	76	66	91	83
Expected cash flow in year 5	88	72	94	76
Expected cash flow in year 6	32	83	49	80
Expected cash flow in year 7	147	31	84	40
Expected cash flow in year 8	66	142	44	71
Expected cash flow in year 9	8	62	21	35



Expected cash flow in year 10	85	7	54	17
Expected cash flow in year 11+	485	525	123	142

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in Present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	684	674	0.00%	0.00%
Salary escalation - up by 1%	702	713	2.65%	2.75%
Salary escalation - down by 1%	664	672	2.91%	-3.16%
Withdrawal rates - up by 1%	691	700	0.96%	0.91%
Withdrawal rates - down by 1%	677	687	-1.07%	1.02%
Discount rates - up by 1%	645	656	-5.73%	-5.52%
Discount rates - down by 1%	729	737	6.52%	6.26%
Mortality rates - up by 10%	684	694	0.05%	0.05%
Mortality rates - down by 10%	684	693	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation :		[% of change]	
	(Rs.in.Lakhs)			
	As at	As at	As at	As at
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Under base scenario	682	706	0.00%	0.00%
Salary escalation - up by 1%	712	735	4.40%	4.10%
Salary escalation - down by 1%	654	678	-4.10%	-3.90%
Withdrawal rates - up by 1%	682	706	0.00%	0.00%
Withdrawal rates - down by 1%	682	705	0.00%	-0.10%
Discount rates - up by 1%	658	683	-3.50%	-3.20%
Discount rates - down by 1%	707	730	3.70%	3.50%
Mortality rates - up by 10%	682	706	0.00%	0.00%
Mortality rates - down by 10%	682	706	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.





#### **x. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-03-2024	As at 31-03-2023
Profit after tax before exceptional items	106,119	59,782
Add: exceptional items	-	-
Profit after tax after exceptional items	106,119	59,782
Profit available for equity shareholders	106,119	59,782
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
<b>Basic and diluted earnings per share (In Rupees) – before exceptional item</b>	<b>168,613.73</b>	<b>94,971.37</b>
<b>Basic and diluted earnings per share (In Rupees) – after exceptional item</b>	<b>168,613.73</b>	<b>94,971.37</b>

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.



#### iv. Secondary segment reporting

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

#### v. Information about major customers

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.2,36,138 Lakhs derived from four customers(P Y 1,40,544 Lakhs from five customers).

#### vi. Information about product and services

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

##### a. Segment reporting for the financial year 2023-24

Particulars	For the year ended 2023-24			Total
	Mining projects	Sand operations	Unallocated	
<b>Segment revenue</b>				
External revenue *	3,56,515	-	27,545	3,84,059
<b>Total segment revenue</b>	<b>3,56,515</b>	<b>-</b>	<b>27,545</b>	<b>3,84,059</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,772	12,772
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
Profit before exceptional items and tax	1,72,093	-	(28,537)	1,43,556
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	378	378
Profit before tax	1,72,093	-	(28,159)	1,43,934
Income tax - Current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
Profit after tax	1,72,093	-	(65,596)	1,06,497
<b>Other Information</b>				
Segment assets **	2,87,044	15,273	2,13,552	5,15,869
Segment liabilities **	1,56,962	3,696	54,295	2,14,952



Capital work in progress	539	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152
Non-cash expense other than depreciation and amortisation	-	-	3,851	3,851

\*\* Segment assets and liabilities are measured in the same way as in the financial Statements. They are allocated based on the operations of the segment.

Note: Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2022-23**

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,02,002	-	8,189	2,10,191
<b>Total segment revenue</b>	<b>2,02,002</b>	<b>-</b>	<b>8,189</b>	<b>2,10,191</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2022-23			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	97,984	-	-	97,984
Unallocated other income	-	-	8,931	8,931
Unallocated expenses and finance cost	-	-	(25,460)	(25,460)
<b>Profit before exceptional items and tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,460)</b>	<b>81,524</b>
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	219	219
<b>Profit before tax</b>	<b>97,984</b>	<b>-</b>	<b>(16,241)</b>	<b>81,743</b>
Income tax - Current	-	-	(19,640)	(19,640)
Deferred tax	-	-	(2,212)	(2,212)
<b>Profit after tax</b>	<b>97,984</b>	<b>-</b>	<b>(38,093)</b>	<b>59,891</b>
<b>Other Information</b>				
Segment Assets **	2,17,255	16,166	3,14,532	5,47,953
Segment Liabilities **	1,45,060	8,861	69,565	2,23,486
Capital work in progress	332	-	582	914



Depreciation and amortisation	3,329	886	177	3,516
Non-cash expense other than depreciation and amortisation	-	-	3	3

#### 44. Related party transactions

##### A. List of related parties

(% of holding)

Name of the related party	As at	As at
	31-03-2024	31-03-2023
<b>Subsidiaries</b>		
Ongole Iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliari coal company limited	51.00%	51.00%
Nuagon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswanimineral development private limited	26.00%	26.00%
Arhamminerals exports private limited	26.00%	26.00%
Israminerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongoleminerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	-

##### Key Management Personal:

Name of the related party	Relation
Sri VG. Venkata Reddy	Vice Chairman & Managing Director



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL	
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	Fellow Government company / Authority
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited- APSFSCL	
The Commissioner SS&LR Department	

**B. Related party transactions**

**i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	3,592
Naandhi Granites India Private limited	175
Samyuktha Granite private limited	71
The Commissioner SS&LR Department	27,545

**ii.Amount due (to)/from related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Andhra Pradesh granite (Midwest) private limited	751	274
Naandhi Granites India Private limited	175	-
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	41,757	5,126

**III. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-03-2024	As at 31-03-2023
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year with related parties**

Investment in subsidiaries	As at 31-03-2024	As at 31-03-2023
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliyan coal company limited	1	1
Nuagon coal company limited	60	60
Total	77	77
Investment derated/provision	77	77





<b>Investment in joint ventures</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1
Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RIP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Vaandhi Granites India Private limited	130	130
Shambhavi Stones AP Private limited	130	-
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

<b>Name of the key management personal</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
Sri VG. Venkata Reddy	-	-
Medical Expenses to VC & MD	3	12

**vi. Loan/Deposit to related parties**

<b>Name of the related party</b>	<b>As at 31-03-2024</b>	<b>As at 31-03-2023</b>
AP state Fibernet limited	10,000	10,000
Machil patnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500



**vii. Advance to related parties**

Name of the related party	As at 31-03-2024	As at 31-03-2023
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1200	1200
The Commissioner SS&LR Department	10,833	3,098

\*Provision for the doubtful advance is created on the above advances given to the related parties.

**45. Note on sand operations**

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations



Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.30.54 crores against pending payables recognised in previous years.

**46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswani mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.



Onigole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in operative.
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
<b>Joint Ventures</b>	
<b>Name of the joint venture</b>	<b>Reason</b>
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative.
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimrex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.



**47. Deferred tax asset /(liability)**

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,363	2,472
Provision for lease liability		3
Other provisions	3,441	2,819
<b>Total deferred tax asset</b>	<b>5,804</b>	<b>5,294</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,257	1,879
Investments	85	85
Mining Infrastructure Assets	8,607	3,119
Mining Infrastructure Assets R&R – M'pet	8,519	
<b>Total deferred tax liability</b>	<b>18,468</b>	<b>5,083</b>
<b>Deferred tax asset /(liability) – net</b>	<b>12,663</b>	<b>(211)</b>

**48. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs.944 (Previous Year Rs.716).
- b. Amount spent during the year

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Construction/ acquisition of any assets	-	-
Purpose other than above	3,545	2,054

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable
- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction - Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 3,545 lakhs (PY Rs. 2,054 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year should be shown separately:

Nil.





#### 49. Treatment of demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC [head office] are to be split between APMDC and TSMDC in the following ratio.
  - APMDC - 58.32%
  - TSMDC - 41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
Shareholder's Funds			
Share capital	631	368	263
Reserve & surplus	1,04,787	60,817	43,464
Deferred Govt. grants			



<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

<b>Assets</b>	<b>Common Pool</b>	<b>AP</b>	<b>TS</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### **Interim division of funds in current accounts, fixed deposits, sweep accounts**

During the year a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDCL on 29<sup>th</sup> January, 2024 and as per terms of the MDU, both APMDCL and TSMDCL have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio. Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs.1,393.43 crores and same has been distributed in the population ratio i.e. APMDCL @58.32% and TSMDCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCL respectively, vide Memo No.4354/M.II(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines.) Department, Government of Telangana.

#### **50. Loan to Andhra Pradesh State Fiber Net limited (AP5FL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RI.No.161 dated 22-11-2016 to give an interest free loan of Rs 100.00 crores to AP State Fibernet Limited (AP5FL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.



The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.Out of thesanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>



APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC.

It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021.





However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

#### **54. Non valuation of inventory**

##### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (62.34 lakhs MTs) is considered without value.

##### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s. Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.03.2024 is 1.56 lakh MT's (including 501 MTs of Grade – 1) which the company has not valued.

##### **c. Inventory of survey stones**

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-03-2024.





## 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
<b>Total</b>		<b>1,842.91</b>

## 56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSC)

Company has received a letter from APSFSC with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSC.

Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-03-2024 for which deposit certificates have been obtained from the APSFSC. APMDCL has received interest regularly till 31-03-2024 and during the year APMDCL has not withdrawn any amounts deposited with the APSFSC and confirmation of balance has been obtained.

## 57. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS & LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.



## **58. Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020.

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No.103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.

## **59. Joint ventures**

Corporation has executed Joint venture agreements for development of black galaxy granite deposits in prakasam district from time to time and as per agreement terms following associate is incorporated and free ride equity shares were allotted and details of same is as under.

Sl.no	Name of the associate	No of shares allotted	% of holding	Nature of shares
1	Shambhavi Stones AP Private limited	13,00,000	26%	Equity

The above equity shares were allotted as free ride equity shares as per respective joint venture agreements executed by the corporation with the agencies. Further, transactions with these parties are mentioned in the relative section of related party transactions – note 44.

## **60. Leases (Ind AS 116)**

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the year ended March 31, 2024:

- (i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the year ended March 31, 2024.



(ii) **Movement in Lease liability with Current/Non-Current break-up:**

Particulars	As at 31-03-2024	As at 31-03-2023
Balance at the beginning of the year	113	53
Additions during the year	167	185
Finance cost accrued during the period	8	13
Payment of lease liabilities	155	138
Balance at the closing of the year	134	113

**Amounts recognised in profit or loss**

Particulars	As at 31-03-2024	As at 31-03-2023
Interest expenses	8	13
Depreciation charge for right-of-use assets	140	119

**Contractual maturity analysis of undiscounted lease liabilities is given below:**

**Maturity Analysis of lease liabilities (undiscounted):**

Particulars	As at 31-03-2024	As at 31-03-2023
Less than one year	134	113

**61. Note on provision for decommissioning**

Name of the project	As at 31-03-2023	Provision made during the year	Provision reversed during the year	As at 31-03-2024
Mangampet-Barytes	686	57	71	672
Ballclay	36	3	8	31
Mangampet - Dolomite	595	49	61	583
Suliyari - Coal	8,470	683	1,086	8,067
<b>Total</b>	<b>9,787</b>	<b>792</b>	<b>1,226</b>	<b>9,353</b>

During the year 2023-24, Mine closure plan provision was re-assessed in respect of barytes mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 71 lacks. Out of which, an amount of Rs. 8 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance of Rs. 63 lakhs is withdrawn and credited to Profit and Loss of the Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of Ball clay mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 8 lakhs. Out of which, an amount of Rs.6 lakhs is adjusted against the Gross amount of Decommissioning Asset and the balance Rs. 2 lakhs is withdrawn and credited to Profit and Loss of Current Year.



During the year 2023-24, Mine closure plan provision was re-assessed in respect of Dolomite mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 61 lakhs. Out of which, an amount of Rs.61 lakhs is adjusted against the Gross amount of Decommissioning Asset in Current Year.

During the year 2023-24, Mine closure plan provision was re-assessed in respect of coal mines due to change in discounting rate. Consequent to this, there is an overall decrease in the mine closure provision by Rs. 1,086 lakhs. This amount is adjusted against decrease in the value of Decommissioning Asset in the Current Year.

62. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

### 53. Analytical Ratios

The following are analytical ratios for the year ended 31<sup>st</sup> March, 2024.

Sl.no	Particulars	Numerators	Denominators	31-03-24	31-03-23	Variance (In %)
1	Current Ratio	Current Assets	Current Liabilities	1.93	1.66	16.34%
2	Debt Equity Ratio(*)	Total Debt	Shareholders' funds	0.24	0.18	28.80%
3	Debt service (**) coverage ratio	Earnings available for debt service	Debt services	10.38	6.15	68.66%
4	Return on equity (%)	Profit after tax	Average shareholders fund	35.34%	18.46%	91.44%
5	Inventory (**) turnover ratio	Cost of goods sold or sales	Average Inventory	19.7	15.5	27.04%
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	6.86	6.55	4.70%
7	Trade payable (**) turnover ratio	Net credit purchases	Average trade Payables	7.09	5.61	26.50%
8	Net Capital (**) turnover Ratio	Net Sales	Working capital	3.17	2.51	26.57%
9	Net profit ratio	Net profit	Net sales	27.69%	28.49%	-2.83%
10	Return on capital employed (%)	Earnings before interest and taxes	Capital employed	44.29%	23.28%	90.28%





11	Dividend (a) payout Ratio	Total Dividend	Net income	122.52%	-	122.52%
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(\*1,2,3,7,8) Due to payment of dividend

(\*4,5,6) Increase in Sullyari project and survey stones project sales and profitability.

#### 64. Additional Information

##### a. Particulars of consumption of stores & spares

(Rs.in. Lakhs)

Particulars	Figures as at the end of March 31, 2024		Figures as at the end of March 31, 2023	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	165	100.00	263	100.00
<b>Total</b>	<b>165</b>	<b>100.00</b>	<b>263</b>	<b>100.00</b>

##### b. Value of imports calculated on CIF basis and expenditure in foreign currency

(Rs.in. Lakhs)

Particulars	31-03-2024	31-03-2023
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 65. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023 and 20<sup>th</sup> January, 2025 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023, the board of directors of the company in their meeting held on 5<sup>th</sup> February, 2025 approved the financial statements for the year ending 31<sup>st</sup> March, 2024.





In view of this, the reported amounts as on 31<sup>st</sup> March, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March, 2023. Necessary adjustments if any will be made in subsequent years.

#### **66. Payment of dividend**

During the year company has paid an interim dividend of Rs.400.00 crores for the financial year 2022-23 and Rs.900.00 crores for the financial year 2023-24.

#### **67. Additional Regulatory Disclosures.**

- a. There are no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The company has not been declared a willful defaulter by any bank or financial institutions.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.



- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts.
- h. The company uses accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.
- i. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the financial year.

#### **68. Note on consolidation of following joint ventures/associates**

- a. The financial statements of Samyuktha Granite Private Limited, Naandhi Granites India Private Limited, and Shambhavi Stones AP Private Limited are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention and applicable accounting standards as prescribed under Section 133 of the Companies Act, 2023 ("Act"). These financial statements have been considered for consolidation, as the management has conducted an impact analysis of the differences between IGAAP and IND AS. Since the differences are immaterial, the holding company's management has incorporated the share of loss from the three joint ventures, amounting to Rs. 76 lakhs, into the consolidation.
- b. During the financial year 2023-24 Samyuktha granite private limited has restated its financial statement for the previous year (2022-23). As a result of the restatement, corporation has restated the consolidated financial statement of the previous year. Due to this, the total share of profit of the joint venture/associates are reduced by Rs. 50 lakhs and corresponding reduction in investments in previous year.

#### **69. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O and incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.

#### **70. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.



- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current year.
- d. All amounts have been reported in Rs. In lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. {0} mentioned in the financial statements represents value less than Rs.0.50 lakhs

For M N RAO & ASSOCIATES  
Chartered Accountants  
Firm Regn No.0053865

*Satish Kumar*  
Ch.Satish Kumar  
Partner  
Mem No.229921



for and on behalf of the board of directors

*My*  
Mukesh Kumar Meena  
Managing Director  
DIN:01232593

*Rubana*  
G. Rama Subbaiah  
Director  
DIN: 10915409

*Phani*  
V.V.V. Phani Kumar  
General Manager-F&A

Place: Vijayawada  
Date: February 05, 2025

UDIN: 25229921 TML EBA 2128





## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**The Andhra Pradesh Mineral Development Corporation Limited**

### **Report on the Audit of Standalone Financial Statements (Special Purpose Interim Financial Statements)**

#### **Qualified Opinion:**

We have audited the accompanying Standalone Financial Statements (Special Purpose Interim Financial Statements) of **The Andhra Pradesh Mineral Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> December 2024 and containing comparative figures as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss for the 9 months period ended 31<sup>st</sup> December 2024 (including Other Comprehensive Income) and containing comparative figures for year ended 31<sup>st</sup> March 2024, the Statement of Cash Flows for the 9 months period ended 31<sup>st</sup> December 2024 and containing comparative figures for the year ended 31<sup>st</sup> March 2024 and the Statement of Changes in Equity for the 9 months period ended 31<sup>st</sup> December 2024 and containing comparative figures for the year ended 31<sup>st</sup> March 2024 along with notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our Report, the aforesaid Financial Statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the:

- a) In case of Balance Sheet (Special purpose Interim), of state of affairs of the Company as at 31<sup>st</sup> December 2024,
- b) In case of Statement of Profit and Loss (Special purpose Interim) including Other Comprehensive Income, of profit of the Company for the 9 months period ended 31<sup>st</sup> December 2024,
- c) In case of Statement of Changes in Equity (Special purpose Interim), for the 9 months period ended 31<sup>st</sup> December 2024, and
- d) In case of Statement of Cash Flows (Special purpose Interim), of cash flows for the 9 months period ended 31<sup>st</sup> December 2024.

#### **Basis for Qualified Opinion:**

1. Refer Note 48 of the accompanying Financial Statements, where the company has passed entries for bifurcation as per AP Reorganisation Act, 2014 in the past years except with respect to share capital based on recommendations of the Committee and as per GO issued by Govt of Andhra Pradesh. We are informed that such an exception is based on agreement between both the companies for which no written document was produced for our verification. Consequent to bifurcation, the Company has transferred certain amounts to M/s Telangana State Mineral Development Corporation Limited ("TSMDC") account ledgers which are subject to acceptance and confirmation by TSMDC.

**Head Office** : Vaishnavi Plaza (2<sup>nd</sup> Floor), # 40-6/3-9, Near V. P. Siddhartha Public School, Mogalrajapuram, Vijayawada - 520 010, Andhra Pradesh, INDIA.

**Branch Offices** : • Tenali • Hyderabad • Narasaraopet



The Company has passed entries for Interest Income pertaining to TSMDC based on estimates for which no supporting document was produced. Further, during the years after bifurcation, Income tax of the erstwhile entity was recovered from APMDC Income Tax Refund but no entries were passed in the books, as the complete recovery details are not available. In the absence of information, we are not able to ascertain the impact of the following amounts:

Sl. No	Name of the ledger	Note no	Classification	Rs. lakhs	in Dr/Cr
1	APMDC Telangana Region Advance (Cr)	18	Other Financial liability(non-current)	2,630.94	Cr
2	Vijayawada (bank)	11	Cash and cash equivalents	208.70	Dr

2. In respect of property, plant and equipment, Fixed Asset Register providing details such as Identification Number, Location of the Assets is not available. In the absence of the same, we are unable to comment upon the maintenance of adequate records in respect of Property, Plant and Equipment. Accordingly, we are not able to comment upon the resultant impact of non-availability, non-existence and impairment of Property, Plant and Equipment on the standalone financial statements. Further, Extra shift depreciation as per Sch II is not being provided for equipment(s) which are continuously used in the mining operations.

**3. Non-Conformity with Ind AS 115 - Revenue from Contracts:**

APMDC has neither adopted nor disclosed the 5-step model specified in Ind AS 115 to account Revenue arising from contracts with customers which requires that the Revenue be recognized to an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring goods or services to a customer. Further, Revenue has to be measured at standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment.

**i) Recognition & Measurement - Grade Variance of Coal not adjusted to Revenue:**

As per Ind AS 115, Revenue has to be measured at standalone fair value of the consideration received or receivable taking into account contractually defined terms of payment. However, Grade Variances on account of quality difference in coal as per Clause 6 of Sale Agreement with Adani Power Limited (APL) has not been adjusted to Revenue disclosed in Note 27 of the accompanying Financial Statements, which constitutes a departure from Ind AS 115. Accordingly, Revenue & Profit are overstated by Rs.25.24 Cr (Basic Coal Value).

- ii) Ministry of Coal has declared Seam wise Annual Grade of Coal for the FY: 2024-25. Based on the seam wise estimated production for the year, APMDC has declared the Composite Grade of Coal (Weighted Avg.) for the FY: 2024-25 as **G-7**. The actual quantities of Seam-Wise Coal production may vary from estimates, which could lead to a change in the declared grade of coal and Revenue. The precise effect on Financial Statements, due change in declared Grade of Coal (if any) could not be ascertained, until the completion of FY: 2024-25.





**iii) Measurement – Statutory Levies included in Revenue:**

As per Ind As 115, transaction price “... is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, **excluding** amounts collected on behalf of third parties (for example, some sales taxes).” Revenue disclosed in Note 27 of the accompanying Standalone Financial Statements is inclusive of all Statutory Levies excl. GSTs per Note 2(f) of the Significant Accounting Policies. As, inappropriate accounting policy cannot be rectified by disclosure, measurement of Revenue by incl. Statutory Levies, constitutes a departure from Ind AS 115. Accordingly, Revenue disclosed in Note 27 is overstated by Rs. 464.04 Cr and corresponding overstatement of Rates & Taxes (Note-35 Other Expenses) by Rs. 464.04 Cr for the period of nine months ended 31-Dec-2024.

- iv) We draw attention to Note 58 in the accompanying Financial Statements, where the management has disclosed that, the Sale Agreements with Barytes customers have expired in June-2024 and basing on Government Orders, APMDC has been Invoicing customers on existing rates, until the finalization of new rates. The Revenue disclosed in Note 27 of the accompanying Financial Statements is subject to change based on the finalized sale rate of Barytes. In the absence of adequate information, the resulting effect on the Financial Statements could not be ascertained.

**4. Loss Allowance for Expected Credit Losses / impairment as required under Ind AS 109:**

- a) Corporation has stated in Note No.10 of the accompanying Standalone financial statements that a total amount of Rs.790.36 Cr was outstanding towards unsecured trade receivable being considered good by the Management. In our opinion, receivables those beyond certain period as decided by the board and those disputed in courts (if any) should have been classified under the heads 'significant increase in credit risk' and 'credit impaired' and adequate loss allowance from profit before tax should have recognised for expected credit losses in accordance with Ind AS 109. This resulted in overstatement of profit and overstatement of trade receivables.
- b) Of the Rs.790.36 Cr trade receivables in Note 10, Rs.426 Cr is due from the Survey Settlements & Land Records (SS&LR) Dept., Govt. of Andhra Pradesh, for supply of survey stones by APMDC. These receivables are unsecured and no guarantee is provided by the government. As per Sl. No. 4(d) of G.O.Ms.No.33 dt. 30-May-2023, payment should be made via adjustment bill to APMDC's PD account, but no funds were received in FY 2022-23, FY: 2023-24 or during FY: 2024-25. Management has not provided any expected Credit Losses on the same.
- c) Further, Out of the Rs.790.36 Cr trade receivables in Note 10, Rs. 152.4 Cr is due from Dept., of Mines and Geology, Andhra Pradesh towards sand operations carried on by the company as an agent during FY: 2022-23. These receivables are unsecured and no guarantee is provided by the government. Management has not provided any expected Credit Losses on the same.
- d) Further, Corporation has not provided the list of trade receivables which remain uncollected for more than 3 years and exceeded the limitation period for filing suit in the court, but where no legal case was filed for recovery.
- e) An amount of Rs.45.29 Cr only was kept under 'Reserve for Bad and Doubtful Debts' by the Company as on 31-Dec-2024. We are of the opinion that the Company should create adequate provision for loss allowance from profit before tax (instead of appropriation of after-tax profit as reserve) in accordance with Ind AS 109 for bad and doubtful trade receivables, and other recoverable.



- f) Balance confirmations are not obtained for the Trade receivables disclosed in Note 10 of the accompanying Standalone Financial Statements, and the balances remained unreconciled. Further, corporation has no regular system to maintain ageing analysis of trade receivables. Considering non-confirmation and non-reconciliation, we are not in a position to ascertain and comment on the correctness of the outstanding balances and the resultant impact on the financial statements.
5. There exists long outstanding credit balances towards advances received from customers, trade payables, security deposits payable, EMD Payable Penalty Suspense, Statutory Dues Payable, and Other deposits payable which are disclosed in Note No.18, 20, 23, 24 and 25 of the accompanying Standalone financial statements and remain unpaid and unreconciled. Party wise Ledger has not been maintained. Further, confirmations from Parties are also not available. Even though, Corporation has disclosed an accounting policy for de-recognition of financial liabilities which were discharged, expired or cancelled in accordance with Ind AS 109 in Note 2(x), the same is not being followed / implemented. The precise effect of consequential adjustments upon such confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
6. There exists long outstanding advances given to Govt. Departments, Deposits with Collectors, Security Deposits, amounts recoverable from vendors & customers, which are disclosed in Note No. 5, 6, 8, 12 & 14 of the accompanying Standalone financial statements and remain outstanding and unreconciled. Further, confirmations / Utilization Certificate from Parties are also not available. Even though the corporation has disclosed an accounting policy for de-recognition of financial assets in accordance with Ind AS 109 in Note 2(x), & an accounting policy for impairment as per Ind AS 36 in Note 2(i), the same is not being followed / implemented. The precise effect of consequential adjustments upon such Utilization Certificate / confirmations/ reconciliations, if any, on the accounts is not ascertainable but considered to have significant impact on the profit.
7. Refer Note 38, where the company has disclosed Classification of Financial Instruments as per Ind AS 109 as Amortized Cost & FVTPL. However, Loans and advances given to staff at concessional rate of interest, Trade Receivables, Trade Payables, Other Financial Assets & Other Financial Liabilities are not accounted at fair value and required disclosures have not been made as per Ind AS 109.
8. Note 35 Other expenses does not include Rs 55.65 Cr for the year and Rs 989.93 Cr for previous years totalling to Rs 1,045.58 Cr payable by the company towards contribution to Mineral Exploration Research and Innovation Trust (MERIT), as on reporting date though the company required to contribute 10% of the sales turnover to MERIT, which was formed by State Government (G.O.Ms. No 18 dated 13-Jan-2016) in place of Development of Mineral Resources and Technology Up-gradation Fund (DMRTUF) established in March 1997. Rather, the liability towards the contribution is disclosed as contingent Liability in Note -37 to accounts quoting that Company requested (November 2019) the Government for exemption from contributing 10% of sales turnover and a fixed amount would be contributed. As per the latest information (Feb-2025) no exemption was granted by the State Government / MERIT. Hence suitable provision should have been recognised along with disclosures. Thus, non-recognition of provision resulted in understatement of Other Expenses and Other current liabilities (Note-25) by Rs 1,045.58 Cr each with consequent overstatement of the Profit for the year by the same amount.



9. The Company has been generally filing Income Tax Returns based on Provisional Financials (up to FY:2023-24) without fully complying with the provisions of the Income Tax Act. Refer Note 8, where the Company stated Corporate Tax Receivable amounting to Rs. 245.48 Cr which are pending on account of various disputes at different forums & Refer Note 26, where the company has stated Provision for Income Tax Payable amounting to Rs.144.53 Cr for previous years. The balances are subject to reconciliation and consequential adjustments on outcomes, the impact of which is not ascertainable. Any consequential effect on account of actual tax liability based on the audited financial statements of previous years on Income Tax and Deferred Tax has not been provided for in the books, due to which we are unable to ascertain the resultant impact on the financial statements.

Further, APMDC has recognized Current Tax & Deferred Tax for the period of 9 months ended 31-Dec-2024 in the statement of profit & Loss based on internal assessment. The estimate of Provision for Current Tax & Deferred Tax is subject to change on completion of 12 months period and subsequent completion of Tax Audit u/s 44AB of Income Tax Act based on Audited Financial Statements. The precise effect of consequential adjustments upon such allowances / disallowances on completion of Tax Audit, if any, on the Financial Statements is not ascertainable.

10. The Board of Directors have declared an Interim Dividend of Rs.1,000 Cr during the FY: 2023-24. Further, out of the interim dividend declared, only an amount of Rs. 900 cr. was paid, leaving a balance of Rs. 100 Cr which has not been deposited in a separate bank account as required under provision of Sec 124 of the Companies Act, 2013.
11. The company is required to disclose Contingent Liabilities as per Ind AS 37. The best estimate of contingent liabilities is disclosed in Note 37 to the accompanying Standalone Financial statements for the period ended 31-Dec-2024. The same could not be audited by us, as the company has not provided the related legal litigation files for our clear understanding and verification. Further, the disclosure in Note 37 does not contain details of current status of dispute, management estimate of outcome, accrued interest payout and amount involved for which no provision is made.

Further, the disputed income tax demands as disclosed as at 31-Dec-2024 in Note 37 of the accompanying Standalone Financial Statements is not matching with latest demand outstanding notice for which reconciliation and current status of dispute is not provided. Certain demands are found to be adjusted with income tax refund due, which are stated as receivable under Note 8 (Others – Balance with Statutory Authorities).

## 12. Inventory

- a) Physical Verification of Inventories on 31-Dec-2024 has not been carried on by the Management or by an external agency. Management has arrived at the quantities of closing stock of coal, Barytes & Survey Stones as on 31-Dec-2024 based on the Opening Stock, Production and Dispatch records. In the absence of physical verification of Inventories, the actual quantities as on 31-Dec-2024 may differ from the reported quantities by the management. Therefore, the precise effect due to any consequential variances in the quantities of inventories, cannot be ascertained.
- b) Refer Note 2(i) & Note 53, where company has recognized closing stock for C+D+W Grade of Barytes only for a quantity of 15 lakh MTs as against the actual quantities of 83.3 Lakh MT and considering no value for the remaining stock of 68.3 Lakh MTs (approx.), as management expect this grade not to fetch any value in the market. However, tender for sale of C+D+W Grade barytes has been issued during Feb-2025 and sale prices were fixed at Rs.1,188/- per MT. Therefore, the estimate of the management that the C+D+W grade material has no market value is not appropriate and not in line with Ind AS 2 - resulting in undervaluation of Inventory to an extent of Rs. 635 Cr. approx. (68.3 Lakh MT @ Rs.929.25 / MT – Wt. Avg. Cost of C+D+W as on 31-Dec-2024).



13. The total Mine Closure Cost for Suliari Coal Mine as per the Mining Plan is Rs.526.6 Cr to be incurred over a period of 26 years & the company recognized Decommissioning Asset & corresponding Provision for Decommissioning based on Mine Closure guidelines of Ministry of Coal for Total Mine Closure (Refer Note 2(p)). However, as per Clause 16.2(b) read with Clause 7.6 of the agreement between APMDC & M/s Adani Enterprises Limited (AEL), Mining Fee payable to AEL shall also include costs incurred towards "Progressive Mine Closure activities" and therefore, no additional cost is to be incurred by APMDC towards Progressive Mine Closure activities. In the absence of adequate information relating to Total Mine closure cost apportionment between AEL & APMDC, we were unable to ascertain the adequacy and extent of Decommissioning Asset (Note 3.3) & Provision for Decommissioning (Note 19) recognised in the Standalone Financial Statements and their corresponding accumulated depreciation & Unwinding Costs debited to Profit & Loss for the 9 months period ended 31-Dec-2024. The precise effect due to the consequent distribution of Mine Closure costs between AEL & APMDC could not be ascertained.
14. We draw your attention to Note 34, where the company expensed Rs. 306 Cr towards Removal of Overburden in Barytes (Mangampet Mine) achieving Stripping Ratio of 3.01, as against 1.78 Stripping Ratio as per Mining Plan. The management has represented that, the significant increase in OB Removal in Mangampet Mine during the year is on account of OB removed in the adjacent Dolomite Mine, which is not included in computation of Stripping ratio of the Barytes Mining Plan. The expenses incurred for OB removal of Dolomite mine is required to be considered as Development expenditure and is required to be capitalized as per Accounting Policy disclosed in Note 2(aa). The OB Excavation expenses of Rs. 306 Cr is not allocated / apportioned between Barytes & Dolomite Mine and is charged entirely to Revenue for the 9 months period ended 31-Dec-2024. In the absence of bifurcation of the OB excavation expenditure between Barytes & Dolomite Mine, we are unable to ascertain the impact on profit & Loss account. Accordingly, the accounting policy selected and adopted by the company for accounting Overburden removal costs is not in line with Para 10, 11 & 12 of Ind AS 8.
15. Refer Note 34, where company has disclosed Excavation of Coal & Overburden of Suliari Mine of Rs. 541 Cr. for the 9 months period ended on 31-Dec-2024. Adjustments to the Mining Fees on account of Short / Excess OB removal & Annual Reconciliations as per terms of the agreement with Mine Development Operator (MDO) are yet to be carried out for FY: 2021-22, FY: 2022-23, FY: 2023-24 & for the current period of 9 months ended 31-Dec-2024. The precise effect of these adjustments (if any) on the Excavation Charges disclosed in Note 34 of the Financial Statements could not be ascertained, in the absence of information.

Further, the payments for Excavation of Coal & Overburden Charges are being made based on the effective Mining Fee applicable on date of sale to customers by APMDC instead of Mining Fee applicable on the date of Production of Coal by MDO, which is not in line with the agreement terms. In the absence of adequate information, the precise effect on the Financial Statements could not be ascertained.

Further, APMDC has not adopted any policy on accounting for Shortfall / excess Overburden removal during the year as compared the Overburden Removal as per the Stripping Ratio of the Mining Plan, which is not in line with Para 10, 11 & 12 of Ind AS 8. The precise effect on the Financial Statements could not be ascertained in the absence of information.





16. Note 14 (Other Current Assets) of the accompanying Standalone financial statements primarily comprises of GST Input Tax Credit (ITC) receivables representing accumulation of ITC due to inverted duty structure & RCM applicable on royalty. Management estimates to utilize this accumulated ITC in future for payment of Output GST based on various factors such as volume increase and price revisions, change in business operation model (i.e., departmental capabilities in place of outsourcing), changes in output GST Rate, diversification of business etc., However, the scale and magnitude of GST ITC accumulation by the company in recent years is significant (Rs. 374 Cr as on 31-Dec-2024 as compared to Rs.256 Cr as on 31-Mar-2024 & Rs. 120 Cr as on 31-Mar-2023). With the company not having any departmental operations and the fact that, the entirety of the mining operations outsourced, the anticipated use of the GST ITC by the management may not align with the estimates, potentially necessitating write-offs which can have a substantial impact on the profit.
17. As per Para 13 of Ind AS 8, an entity shall select and apply its accounting policies consistently for similar transactions & it shall be selected and applied consistently to each category. The Company has not adopted any Accounting Policy in respect of treatment for R&R Costs.
- a) In respect of Mangampet mine, the R&R costs incurred at the inception of the project is not found as an asset, as the same is charged to revenue as and when incurred. However, R&R Costs of Rs. 445 Cr were capitalized as Mining Assets during FY: 2023-24 and amortized over the remaining life of the mine (5 Years). Further, justification for incurring R&R costs when the mine is nearing closure is not available.
  - b) In respect of Suliyari Mine, the entire R&R Costs and Mine Development Costs are capitalized as Mining Infrastructure Assets as and when incurred, which is in contrary to the accounting for R&R costs adopted for Mangampet Mine.

As the Company has neither adopted & disclosed the accounting Policy nor applied the accounting treatment for these costs consistently in respect of R&R Costs, the same is not in line with Para 10, 11, 12 & 13 of Ind As 8. The precise effect of consequential adjustments on the Standalone Financial Statements on adoption of the accounting policy by the company is not ascertainable.

**18. Suliyari Coal project, Madhya Pradesh:**

- a) The company has outsourced the entire Mine Development & Operations of Suliyari Coal Mine, Madhya Pradesh to "Adani Enterprises Limited" (MDO) & around 67% of coal produced during the period ended 31-Dec-2024 is sold to "Adani Power Limited" (APL) vide a coal supply agreement for 5 years. During the period of 9 months ended 31-Dec-2024, the average sale rate of coal to APL is significantly lower compared to the avg. sale rate to other parties, resulting in forgone potential revenue of Rs. 219 Cr. The documentation along with justification of awarding the Mine Production & Sale agreements to parties related to each other are not on record.
- b) Further, Liquidated Damages / Compensation / Penalties for delay in commencement of Coal production as per the terms of the agreement are not levied on AEL by APMDC. Further, no waiver by competent authority is available on record.
- c) Additionally, Interest bearing Performance Security Deposit (PSD) of Rs.250 Cr is taken from Adani Power Limited (APL) by APMDC instead of a Bank Guarantee. Justification of the management in accepting Interest bearing PSD instead of Interest free Bank Guarantee cannot be ascertained.





- d) An amount of Rs. 1,727 Cr was capitalized towards R&R and Mine Development Costs of Suliari Coal Mine as on 31-Dec-2024. As the records relating to the costs incurred during the previous years are not available, we are unable to comment on the appropriateness of the R&R and Mine Development Costs capitalized in previous years.

In the absence of any effective documented Risk Management Policy by the company, we are unable to ascertain the corresponding effect on the Standalone financial Statements and operations of the Suliari Mine, due to potential Risks (if any) involved in the aforesaid matters.

19. Corporation has not obtained confirmation of MSME classification from vendors and hence, bifurcation of trade payables to MSME and others is not disclosed as required under Schedule III of Companies Act. Further, the ageing of Trade Payables, Trade Receivables & Capital Work in Progress, Cost & Time Overrun of CWIP is not disclosed as required under Schedule III of Companies Act, 2013.

**20. Interest Free Loan to Andhra Pradesh State Fiber Net Limited (APSFL):**

The Company has released an interest free unsecured loan of Rs. 100 Cr during the financial year 2017-18 and 2018-19 to M/s Andhra Pradesh State Fiber Net Limited ("APSFL"). The loan is repayable in 4 yearly instalments starting from FY: 2018-19 and ending in FY: 2021-22. APSFL has not repaid the instalments due in FY 2018-19, FY 2019-20, FY 2020-21 & FY 2021-22 as per terms of the agreement till date. The said loan is unsecured and not backed up by any government guarantee.

The management has not provided for impairment on the loan amount as it is confident of the recovery of the loan. In the absence of Audited Financial Statements of APSFL from FY 2017-18 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of APSFL, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements. Further, the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognized in the books as the loan agreement was not clear on purpose of issuance of interest free unsecured loan.

**21. Loan to Machilipatnam Urban Development Authority (MUDA):**

The Company has released unsecured loan of Rs. 200 Cr. to M/s Machilipatnam Urban Development Authority ("MUDA") on 01-Nov-2018 bearing interest at 8% per annum and repayable in 45 days. Despite multiple requests for repayment by APMDC, both the principal and the outstanding interest remain unpaid as on date. The said loan is an unsecured loan and is not backed by any government guarantee.

Additionally, APMDC received G.O.Ms. No. 32 dated 14-Mar-2024 to Waive off Rs.7.07 Cr of principal amount and corresponding interest that is recognised in the books of account. The Company has not written off / impaired the Loan. Further, in the absence of Audited Financial Statements of MUDA from FY 2018-19 and subsequent years and other supportive audit evidence substantiating the credit worthiness/Repayment capability of MUDA, we are unable to comment upon its impairment/recoverability and consequential impact on the Standalone Financial statements.



Further, the management has not provided for impairment on the loan amount as it is confident of the recovery of the loan, but on the other hand management has not recognized Interest Income amounting to Rs. 96.74 Cr for the period of 2207 days from 16.12.2018 to 31.12.2024 (excl. penal interest leviable under Clause 4 of loan agreement), on the basis of the accounting policy stating that Interest Income on irregular / overdue advances are recognized on realization basis. Thus, the practice of the Company to defer the recognition of interest accrued on loan referring to its accounting policy disclosed at 2(f)(iv) to recognise interest income on irregular / overdue advances on realisation basis is not justified and appropriate to that extent since neither uncertainty in realisation of the said loan was justified nor carrying amount of loan was impaired. As, inappropriate accounting policy cannot be rectified by disclosure. Deviation from accrual basis of accounting results in understatement of Other Income and Loans by Rs. 96.74 Cr each with understatement of Profit by the same amount.

22. Refer Note 28 - Other Income to the accompanying financial statements, where the corporation has recognized Penalty income of Rs. 83.55 Crores (Penalty on ROM – Rs. 37.03 Cr & Penalty on Buyers – 46.52 Cr), arising from short production of coal by Mine Development Operator (MDO) & Penalty on short lifting of coal by Customers relating to FY 2022-23 and FY: 2023-24. The basis for calculation of this Penalty income has not been provided. Further, any corresponding penalties payable by APMDC for short despatch to customers & short lifting of coal produced by MDO was neither paid nor recognized as provision in the books of account. The same is not disclosed as an Exceptional Item in the statement of Profit & Loss & no restatement of the previous year Financial Statements has been carried out even though it exceeds the limit adopted by the company in Note 2(ab). Due to non-availability of the supporting records, we are not able to ascertain and comment on the correctness of the Income recognised under the head Penalty for the period of 9 months ended 31-Dec-2024.

23. APMDC has secured a term loan from SBI at an initial interest rate of 7.20% to fund the Capex of the Suliari Coal Mine. Subsequently, on 13-Oct-2021, it received an interest-bearing Performance Security Deposit (PSD) from Adani Power Limited (APL) at an initial interest rate of 9%, payable to APL on a quarterly basis. The decision to accept an interest-bearing PSD from APL instead of a cost-free bank guarantee lacks commercial justification.

Furthermore, APMDC has invested Rs. 555 Cr. in Inter-Corporate Deposits (ICDs) of Andhra Pradesh State Financial Services Corporation (APSFSC), earning an initial interest rate of 5% per annum. These ICDs are redeemable with a 21-day notice. The investment was made using Rs. 250 Cr. from the interest-bearing PSD received from APL, along with other bank balances of APMDC. This has resulted in APMDC borrowing at higher interest rates (Term Loans & PSD) while investing in ICDs at lower interest rates, leading to a revenue loss for the Corporation.

The financial rationale behind the management's decision to continue holding these ICDs, despite their redeemability within 21 days, and not utilizing the funds to repay borrowings remains unclear. The total revenue loss to APMDC from inception could not be determined due to the fluctuating nature of interest rates on these borrowings.

24. APMDC has employed maximum of 341 Nos. of Contract employees during April-2024, with a monthly remuneration totaling to Rs. 1.15 Cr during that period and debited Rs. 6.7 Cr for the period of 9 months period ended 31-Dec-2024 to the statement of profit & loss.

On comparison with Dec-2024, the No. of Contract Employees substantially dropped to 74 Nos. from 341 Nos. and the monthly remuneration to Rs.0.5 Cr from Rs. 1.15 Cr. The designations of the contract employees during FY: 2024-25 were DEO or DPO and the Job Descriptions were not specified in the terms of the agreement. Further, we are unable to obtain any explanation and justification of the management for the significant decline in the total no. of contract employees. In the absence of sufficient & adequate information, we are unable to ascertain the existence and accuracy of the Contract Employee Cost of Rs. 6.7 Cr debited to profit & loss for the period of 9 months ended 31-Dec-2024 under Employee Benefit Expenses.



We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements (Special Purpose Interim) section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matter Paragraph:**

Without qualifying our opinion, we draw attention to the following matters in the Financial Statements:

1. Refer Note No. 2(b), where the company disclosed the purpose of preparation of these Financial Statements (Special Purpose Interim) and the basis of the reporting framework adopted by it. The Financial Statements are prepared for use by the Board of Directors & Investment Bankers for filing Offer Document / Placement Memorandum with SEBI and Other Regulators, in respect of private placement of securities by the company.
2. Refer Note No. 68(e), where the company disclosed that the Financial Statements (Special Purpose Interim) as at and for the 9-month period ended 31<sup>st</sup> December 2024 are prepared in accordance with Ind AS 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India except for the comparative figures that have not been included in Financial Statements (Special Purpose Interim) as at and for the 9 month period ended 31<sup>st</sup> December 2023 as per the requirements of Ind AS 34, instead the comparative figures for the year ended 31<sup>st</sup> March 2024.
3. Refer Note No. 64, the supplementary Audit of C&AG for the FY: 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 & 2023-24 is yet to be completed and thus, same are yet to be adopted by the members in Annual General Meeting. As the Financial statements along with independent auditors' report of the corporation for the FY: 2023-24 are yet to be adopted by the members in AGM, (company submitted the Audited Financial Statements of FY: 2023-24 to CAG for supplementary Audit on 18-Feb-2025), the comparative figures for previous year 2023-24 which are provided in the financial statements for current period of 9 months are unadopted.
4. Refer Note No. 45, the company has paid an amount of Rs. 0.39 Cr against outstanding balances pertaining to sand operations, which was carried over from the previous year financials on which previous auditors have issued a disclaimer of opinion.

**Information Other than the Financial Statements (Special Purpose Interim Financial Statements) and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Report on Corporate Governance but does not include the Financial Statements and our Auditor's Report thereon. The Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report and Report on Corporate Governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management's Responsibility for the Financial Statements (Special Purpose Interim Financial Statements):**

The Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of Financial Statements (Special Purpose Interim Financial Statements):**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Restriction on Distribution and Use**

These Financial Statements (Special Purpose Interim) have been prepared by the management and this audit report thereon is intended for its inclusion in the Offer Document / Placement Memorandum to be filed with SEBI and other regulators in connection with the private placement of securities by the Board of Directors of the company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**Place: Vijayawada**  
**Date: 24-Feb-2025**  
**UDIN: 25250883BMKPEO8862**



**For M. N. Rao & Associates**  
**Chartered Accountants**  
**Firm Reg. No: 005386S**

**(D.S.S Srikanth)**  
**Partner**  
**Membership No.: 250883**



**The Andhra Pradesh Mineral Development Corporation Limited**

**Standalone balance sheet as at December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	As at December 31, 2024	As at March 31, 2024
<b>ASSETS</b>			
<b>1] Non-current assets</b>			
(a) Property, plant and equipment	3	5,852	7,210
(b) Right-of-use assets	3.1	22	133
(c) Capital work in progress	3.2	540	556
(d) Intangible assets	3.3	1,88,752	1,95,406
(e) Intangible assets under development	3.4	8,548	8,906
<b>[f] Financial assets</b>			
(i) Investments	4	500	500
(ii) Loans	5	453	383
(iii) Other financial assets	6	11,059	6,665
(g) Other non-current assets	8	50,016	41,676
<b>Total non-current assets</b>		<b>2,65,934</b>	<b>2,63,435</b>
<b>2] Current assets</b>			
(a) Inventories	9	27,001	20,741
<b>(b) Financial assets</b>			
(i) Trade receivables	10	79,037	74,564
(ii) Cash and cash equivalents	11	41,530	28,899
(iii) Other bank balances	11	56,585	66,733
(iv) Loans	12	30,100	30,076
(v) Other financial assets	13	715	1,038
(c) Other current assets	14	40,583	29,480
<b>Total current assets</b>		<b>2,75,551</b>	<b>2,51,521</b>
<b>TOTAL ASSETS</b>		<b>5,41,485</b>	<b>5,14,956</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1] Equity</b>			
(a) Equity share capital	15	631	631
(b) Other equity	16	3,51,453	2,99,373
<b>Total equity</b>		<b>3,52,084</b>	<b>3,00,004</b>
<b>Liabilities</b>			
<b>2] Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	17	47,843	55,974
(ii) Lease Liability			
(iii) Other financial liabilities	18	6,090	6,131
<b>(b) Provisions</b>	19	10,093	9,453
<b>(c) Deferred tax liability (net)</b>	7	14,663	12,613
<b>(d) Other non-current liabilities</b>	20	254	254
<b>Total non-current liabilities</b>		<b>78,965</b>	<b>84,475</b>
<b>3] Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Short Term Borrowings	21	10,800	15,438
(ii) Lease Liability	22	23	134
(iii) Trade payables	23	8,528	19,437
(iv) Other financial liabilities	24	21,475	23,012
<b>(b) Other current liabilities</b>	25	55,176	57,943
<b>(c) Current tax liabilities</b>	26	14,453	14,451
<b>Total current liabilities</b>		<b>1,10,455</b>	<b>1,30,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,41,485</b>	<b>5,14,956</b>
<b>Notes to financial statements</b>	<b>1-68</b>		

The accompanying notes are an integral part of these standalone financial statements.

As per our report

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No: D053865

  
D.S.S. Srikanth


Partner

Mem No: 250883



For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaniah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A



UDIN: 95250883BMEPC08862

Place : Vijayawada  
Date : February 21, 2025

**The Andhra Pradesh Mineral Development Corporation Limited**

**Standalone statement of profit and loss for the nine months period ended December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the period ended December 31, 2024	For the year ended March 31, 2024
I Revenue from operations	27	2,20,562	3,84,059
II Other income	28	13,744	12,890
III Total income (I+II)		2,34,306	3,96,949
IV Expenses			
Change in inventories of finished goods	29	(6,255)	(2,207)
Employee benefits expense	30	3,540	5,254
Finance costs	31	5,457	7,678
Depreciation and amortization expense	32	15,642	21,151
Power and fuel	33	610	870
Excavation and transport charges	34	89,338	1,09,889
Other expenses	35	56,008	1,10,757
Total expenses (IV)		1,64,340	2,53,393
V Profit before tax (III-IV)		69,965	1,43,557
VI Tax expense/(benefit)			
Current tax	36	15,855	24,563
Deferred tax	36	2,019	12,874
Total tax expense/(benefit) (VI)		17,874	37,438
VII Profit for the year (V-VI)		52,091	1,06,119
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations)		(31)	(15)
(ii) Income tax on above items		-	-
Total other comprehensive income for the year (VIII)		(31)	(15)
IX Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the reporting period) (VII+VIII)		52,060	1,06,104
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	82,601.80	1,68,276.58
- Diluted (Rs.)		82,601.80	1,68,276.58
Notes to financial statements	1-68		

The accompanying notes are an integral part of these standalone financial statements.

As per our report

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No- 0053865

  
D.S.S. Srikanth

Partner

Mem No 250883

For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbalah  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 21, 2025



UDIN: 25250883BMKPE08862

The Andhra Pradesh Mineral Development Corporation Limited  
 Standalone cash flow statement for the nine months period ended December 31, 2024  
 All amounts are in Rs. Lakhs, unless otherwise stated.

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
Cash flow from operating activities		
Profit before tax from continuing operations	69,965	1,43,557
Adjustments for:		
Interest expense	4,797	6,874
Unwinding of discounting on provisions	660	804
Interest income	(4,573)	(11,638)
Depreciation and amortisation expense	15,542	21,152
Dividend income	(220)	(1,651)
Provision for bad & doubtful advances	-	2,571
Bad & doubtful debts	-	476
Liabilities no longer required written back	(6)	(17)
Operating profit before working capital changes	86,263	1,63,590
Adjustments for:		
Increase/(decrease) in trade payables	(10,909)	959
Increase/(decrease) in provisions	(84)	(9,878)
Increase/(decrease) in other financial liabilities	(1,574)	(45,062)
Increase/(decrease) in other liabilities	(2,757)	15,017
Decrease/(increase) in trade receivables	(4,472)	(27,564)
Decrease/(increase) in inventories	(6,270)	(2,249)
Decrease/(increase) in other assets	(17,445)	6,582
Decrease/(increase) in other financial assets	(4,071)	36,739
Cash generated from operations	38,710	1,97,154
Direct taxes paid (net of refunds)	15,855	25,617
Net cash flow from/(used in) operating activities (A)	22,854	1,66,537
Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWP and capital advances	(17,336)	(60,871)
Movements in other bank balances	10,149	(3,028)
Loans to staff	(93)	10
Interest received	4,575	11,608
Dividend income	220	165
Net cash flow from/(used in) investing activities (B)	7,515	(52,117)
Cash flow from financing activities		
Proceeds from borrowings	(17,827)	11,637
Interest paid	(4,797)	(6,874)
Payment of lease liability	(124)	(155)
Dividends paid including interim dividend	-	(1,30,060)
Net cash flow from/(used in) financing activities (C)	(17,726)	(1,25,392)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	12,633	(10,972)
Cash and cash equivalents at the beginning of the year/period	28,899	39,871
Cash and cash equivalents at the end of the year/period	41,530	28,899
Components of cash and cash equivalents		
Cash on hand	1	1
Balances with scheduled banks		
With current accounts	41,529	28,898
Total cash and cash equivalents (Note 31)	41,530	28,899

The accompanying notes are an integral part of these standalone financial statements.

a. Figures in brackets indicates outflow

b. The cash flow statement has been prepared using the indirect method as set out in Ind As -7

As per our report

For M N RAO & ASSOCIATES

Chartered Accountants

Firm Regn No. DU54865

D.S.S. Srikanth

Partner

Mem No. 250883



UDIN: 25950883RMKP608862

For and on behalf of the Board of Directors

Sri Pravin Kumar  
 Managing Director  
 DIN: 07106418

G. Rama Subbaiah  
 Director  
 DIN: 10915409

V.V.V. Phani Kumar  
 General Manager - F&A



Place : Vijayawada

Date : February 21, 2025



The Andhra Pradesh Mineral Development Corporation Limited

Statement of changes in equity for the nine months period ended December 31, 2024

A. Equity share capital

Particulars	(Rs. in Lakhs)	
	No. of Shares	Amount
Balance as at April 1, 2023	63,062	631
Changes in equity share capital during 2023-24		
Balance as at April 1, 2024	63,062	631
Changes in equity share capital during 01-04-2024 to 31-12-2024		
Balance as at December 31, 2024	63,062	631

B. Other equity

Particulars	Reserves and surplus				Other comprehensive income			Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actuarial gains/losses reserve	Deferred tax on OCI items	
Balance as at April 01, 2023	370	2,147	17,050	1,04,001	(57)	(343)	(30)	3,23,119
Profit for the year	-	-	-	1,06,119	-	-	-	1,06,119
Free ride equity shares in Joint Ventures	130	-	-	-	-	-	-	130
Other comprehensive income for the year	-	-	-	-	-	(15)	-	(15)
Total comprehensive income for the year	130	-	-	1,06,119	-	(15)	-	1,06,234
Transfer to reserve for bad and doubtful debts	-	2,741	-	(2,741)	-	-	-	-
Interim Dividend (FY 2023-24)	-	-	-	(50,000)	-	-	-	(50,000)
Interim Dividend (FY 2022-23)	-	-	-	(40,000)	-	-	-	(40,000)
Balance as at March 31, 2024	500	4,888	17,050	2,77,879	(57)	(358)	(30)	2,94,872
Profit for the period	-	-	-	52,091	-	-	-	52,091
Other comprehensive income for the period	-	-	-	-	-	(31)	-	(31)
Total comprehensive income for the period	-	-	-	52,091	-	(31)	-	52,060
Transfer to reserve for bad and doubtful debts	-	(360)	-	360	-	-	-	-
Balance as at December 31, 2024	500	4,528	17,050	3,29,830	(57)	(389)	(30)	3,51,432

As per our report

For and on behalf of the Board of Directors

For M N Rao & ASSOCIATES

Chartered Accountants

Firm Regn No. 3053885

D.S.S. Srikanth

Partner

Mem No. 250883



Sri Pravin Kumar

Managing Director

CIN: 67106418

G. Rama Subbalah

Director

DIN: 10975439

Thani  
Sri M. Pravin Kumar  
General Manager - F&A

Place : Vajayawada

Date : February 21, 2025



UDIN: 95250883BMKPE0886L

## Notes forming part of the Financial Statements

### 1. Corporate Information

The Andhra Pradesh Mineral Development Corporation Ltd., was incorporated on 24th Feb., 1961 as a wholly owned undertaking of the Government of Andhra Pradesh for the development of mineral resources and promotion of mineral based industries in Andhra Pradesh including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products. The administrative office of the company is situated at 294/1D, 100 ft road, Kanuru Village, Penamalluru Mandal, Vijayawada, Andhra Pradesh-521137

### 2. Significant Accounting Policies

#### a. Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013

#### b. Basis of preparation of financial statements and compliance with Indian Accounting Standards ("Ind AS")

The financial statements for the period from April 1, 2024, to December 31, 2024, comprise the Balance Sheet as at December 31, 2024; the Statement of Profit and Loss (including Other Comprehensive Income); the Statement of Cash Flows; the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). These financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), as specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other recognized accounting principles and policies generally accepted in India. However, they do not include certain presentation and disclosure requirements prescribed under Ind AS 34, such as certain explanatory information and comparative financial information. Accordingly, the financial statements have been prepared using a framework by the management of the Company for use by the Board of Directors and investment bankers for the purpose of private placement of securities.

#### c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise





**d. Use of Judgements, Estimates and Assumptions**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period.

Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Formulation of accounting Policies**

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a.** relevant to the economic decision-making needs of users and
- b.** reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the Company;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e., free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.



The Company operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.

**e. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the company has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MER, cess collected on behalf of third parties except Goods and Service Tax.



## **ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.

## **iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.

## **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis.

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

## **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the Property, Plant and Equipment are ready for use, as intended by the Management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.



An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life is determined by technical assessment / Company's past experiences. Assets acquired under finance lease and leasehold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

#### **h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the Company as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining assets are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.





**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 53).





#### **m. Employee benefits**

##### **Short term employee benefit obligations**

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### **Post-employment obligation**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees,
- Defined contribution plans such as provident fund

##### **Defined Benefit Plan**

The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.



Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

#### **Defined contribution plan**

Employee benefits in the form of provident fund, pension fund, superannuation fund and employees state insurance are defined contribution plans. The Company recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.



**o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented with in other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in statement of Profit and Loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred. As per the mine closure guidelines issued by the Department of Mines and Geology, Government of Andhra Pradesh on 27<sup>th</sup> Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3 lakh per hectare for category A mines and Rs. 2 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.



The company has to maintain stripping ratio as per the mining plan every year. Accordingly, provision has to be made for the shortfall in the quantity of overburden not removed as per the ratio of the mining plan.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CODM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.





At the date of commencement of the lease, the company recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.





**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the Company takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**x. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.



#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The losses arising from impairment are recognised in the statement of Profit and Loss. This category generally applies to trade and other receivables.

##### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.

The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

##### **iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

##### **iv. De-recognition of financial assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

#### **Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.



**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The Company de-recognizes financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in statement of profit and loss as other income or finance costs.

**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.



Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed.

Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the Company will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the Company.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.





**The Andhra Pradesh Mineral Development Corporation Limited**

Property, Plant and Equipment, Capital work in progress, Intangible assets, Unamalgable assets under development, Right of use asset for the nine months period ended December 31, 2024

Note - 3

(Rs. in Lakhs)

**Property, Plant And Equipment For The Period Ended 31.12.2024**

Particulars	Gross Block				Depreciation Block				Net Block		
	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation for the Year	Impairment Loss *	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Land	5,568	-	1,079	4,589	-	-	-	-	-	4,589	5,668
Quarters & Pucca Constructions	446	37	-	485	284	23	-	-	307	178	164
Mining Equipment	722	-	-	722	613	19	-	-	632	90	105
Furniture & Fixtures	329	0	-	329	181	38	-	-	219	110	107
Office Equipment	276	1	-	278	240	17	-	-	257	27	37
Data Processing Equipment	373	14	-	387	108	36	-	-	343	44	65
Vehicles	327	-	-	327	233	80	-	-	263	64	94
Tools & H. Is	153	10	-	163	114	29	-	-	142	21	40
Plant & Machinery	3,679	56	-	3,736	2,506	172	-	-	2,978	758	274
Leasehold building	255	-	-	255	202	-	-	-	202	55	55
<b>Total</b>	<b>12,229</b>	<b>118</b>	<b>1,079</b>	<b>11,369</b>	<b>5,019</b>	<b>358</b>	<b>-</b>	<b>-</b>	<b>5,377</b>	<b>5,992</b>	<b>7,210</b>
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
<b>Total</b>	<b>12,229</b>	<b>118</b>	<b>1,079</b>	<b>11,369</b>	<b>5,019</b>	<b>358</b>	<b>-</b>	<b>-</b>	<b>5,377</b>	<b>5,992</b>	<b>7,210</b>
Previous year - 2023-24	11,637	593	-	12,229	3,466	639	914	-	5,019	7,210	8,121

\*As per directions of the Government of AP, corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the S&R Department, Government of AP and finalised contractors on turnkey basis. Out of the four units, Rajikurava unit in Prakasam district has commenced operations in the year 2022-2023 and stopped production in the month of August, 2023. In view of uncertainty in continuing future operations, management has decided to impair the plant and machinery in the year 2023-24. Accordingly, an amount of Rs.914.00 lakhs has been recognised as an impairment costs in financial year 2023-24.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation for the Year	Disposal / Adjustments / transfer	Accumulated Depreciation as at December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Right of use asset	169	-	18	142	37	107	24	119	27	133
<b>Total</b>	<b>169</b>	<b>-</b>	<b>18</b>	<b>142</b>	<b>37</b>	<b>107</b>	<b>24</b>	<b>119</b>	<b>27</b>	<b>133</b>
Previous year - 2023-24	274	169	174	169	171	140	274	37	133	102





**Note 3.2 Capital work in progress**

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	1,261	924
Add: Additions during the reporting period	1,005	539
Less: Transferred to Property, Plant & Equipment	951	193
Closing Gross Carrying Value	1,315	1,261
Accumulated Impairment Allowance		
Balance at the Beginning of the year/period	705	-
Add: Additions during the year/period		705
Closing Accumulated Impairment Allowance	705	705
Closing net carrying value	610	556

**Capital work in progress ageing schedule as at 31.12.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	115	711	294	-	640
Projects temporarily suspended	-	130	160	209	705

**Capital work in progress ageing schedule as at 31.03.2024**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	116	340	-	-	556
Projects temporarily suspended	130	366	209	-	705

As per directions of the Government of AP, corporation has initiated setting up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SS&A department, Government of AP and engaged contractors on turnkey basis. Out of the four units, Bailuraya unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs.725.00 lakhs has been recognised as an impairment costs in the year 2023-24.

**3.3 Intangible Assets**

Particulars	As at December 31, 2024	As at March 31, 2024
Computer software	217	149
Decommissioning assets	6,287	6,570
Mining infrastructure assets	1,55,619	1,54,642
Mining infrastructure assets - R&R - Mypet	25,628	33,849
<b>Total</b>	<b>1,88,752</b>	<b>1,95,406</b>

**A. Computer Software**

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	423	14
Add: Additions during the year/period	8	139
Less: Disposals/adjustments/transfer	-	-
Closing Gross Carrying Value	430	423
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	77	32
Add: Additions during the year/period	136	45
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	213	77
Net carrying value	217	346

**B. Decommissioning Assets**

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	7,177	8,345
Add: Additions during the year/period	-	0
Less: Disposals/adjustments/transfer	-	1,168
Closing Gross Carrying Value	7,177	7,177
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	607	264
Add: Additions during the year/period	283	349
Less: Deletions / Adjustments	-	6
Closing Accumulated Impairment Allowance	890	619
Net carrying value	6,287	6,570



C.Mining Infrastructure Assets		
Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	1,60,112	1,52,678
Add: Additions during the year/period	7,554	13,434
Less: Disposals/adjustments/transfer	-	-
Closing Gross Carrying Value	1,72,666	1,66,112
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	10,470	2,774
Add: Additions during the year/period	6,577	7,696
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	17,047	10,470
Net carrying value	1,55,619	1,54,642

Corporation has incurred an amount of Rs.1,65,112 lakhs till the end of previous financial year on its Sullyari coal mine project and same has been capitalised under mining Infrastructure assets. Additionally, during the current reporting period an amount of Rs.7,554 lakhs has been capitalised and amortised based on the unit of production method.

#### D.Mining Infrastructure - R&R-Jalpet

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	44,513	-
Add: Additions during the year/period	962	44,513
Less: Disposals/adjustments/transfer	-	-
Closing Gross Carrying Value	45,475	44,513
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	10,664	-
Add: Additions during the year/period	8,162	10,664
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	18,847	10,664
Net carrying value	26,628	33,849

Corporation has incurred an amount of Rs.44,513 lakhs till the end of previous financial year towards R&R costs in connection with the Mangampet barytes project. During the current reporting period, an amount of Rs.962 lakhs has been capitalised and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.

#### 3.4 Exploration Intangible assets under development

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	8,906	6,116
Add: Additions during the year/period	35	2,550
Less: Adjustments/transfer	342	-
Closing Gross Carrying Value	8,598	8,906
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	-	-
Add: Additions during the year/period	-	-
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	-	-
Net carrying value	8,598	8,906

#### Exploration Intangible assets under development Ageing schedule as at 31.12.2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35	2,590	1,947	4,031	8,598
Projects temporarily suspended	-	-	-	-	-
Total Exploration Intangible assets under development					8,598

#### Exploration Intangible assets under development Ageing schedule as at 31.03.2024

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,285	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration Intangible assets under development					8,906

The Corporation has incurred and capitalized an amount of Rs.8,598 lakhs towards the development of Brahmadaha Coal Mine till the end of the current reporting period. The mining plan for the project has been approved, and the management have confident about commencing its commercial operations in the next one to two years.



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to standalone financial statements for the nine months period ended December 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current investments	As at	As at
		December 31, 2024	March 31, 2024
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s AFMDC - SCCI Vijayawada company limited		
	5,100 equity shares (March 31, 2024: 5,100) of Rs 10/- each		
	fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s Nandam coal company limited		
	3,000 equity shares (March 31, 2024: 3,000) of Rs 100/- each		
	fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s Andhra phosphate (P) Ltd.		
	1,110 equity shares (March 31, 2024: 1,100) of Rs 1,000/-		
	each fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	iv. M/s Ongole iron ore mining company private limited		
	56,100 equity shares (March 31, 2024: 55,300) of Rs 10/- each		
	fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	v. M/s Aswani mineral development private limited		
	55,000 equity shares (March 31, 2024: 64,500) of Rs 10/- each		
	fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi. M/s SRAP mineral private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii. M/s Arham mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii. M/s Sra mineral exports private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	ix. M/s Mangasree granites private limited		
	1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs 10/- each		
	fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s Ongole mineral exports private limited		
	3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs 10/- each		
	fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xi. M/s RUP granite private limited		
	3,75,000 equity shares (March 31, 2024: 3,75,000) of Rs 10/- each		
	fully paid up	38	38
	Less: Provision made for diminution in the value of shares	(38)	(38)
	xii. M/s A.P. coastal sands & metals private limited		
	13,000 equity shares (March 31, 2024: 13,000) of Rs 10/- each		
	fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiii. M/s Andhra Pradesh tribal mining private limited		
	28,600 equity shares (March 31, 2024: 28,600) of Rs 10/- each		
	fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



xiv. Samyuktha Granite Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
xv. Naanghi Granites India Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
xvi. Shambhavi stones & P Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
<b>Investment in Joint Ventures</b> xvii. M/s. A.P. granites (madhwa) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	110	110
xviii. M/s. Anance & P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xix. M/s. Pullavared granite private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xx. M/s. Gempex & P barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xxi. M/s. Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xxii. M/s. Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xxiii. M/s. Arima baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xxiv. M/s. M.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
<b>Investments measured at amortised cost</b> Investment in Government Securities (unquoted) Less: Provision made for doubtful investment	71 (71)	71 (71)
	500	500
Aggregate amount of quoted investments - Market value	-	-
Aggregate amount of quoted investments - Book value	-	-
Aggregate amount of unquoted investments	500	500
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investments	71	71





5	Loans (Non-current)	As at December 31, 2024	As at March 31, 2024
	Loans and advances to employees		
	Unsecured, considered good	453	383
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>453</b>	<b>383</b>
6	Other financial assets (Non-current)	As at December 31, 2024	As at March 31, 2024
	Security Deposits		
	Unsecured, considered good	285	257
	Unsecured, considered doubtful	91	91
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>285</b>	<b>257</b>
	Balance in current amounts (Frozen)	209	204
	Deposits in the form of bank guarantees	7,932	3,856
	Deposit in Bank under Mine Closure plan *	2,613	2,347
	Unsecured, considered doubtful		
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>11,059</b>	<b>6,665</b>
* Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened and deposits are made as required. (Refer note no.6)			
7	Deferred tax liability (Net)	As at December 31, 2024	As at March 31, 2024
	Deferred tax asset		
	Provision for decommissioning costs	2,526	2,361
	Provision for leave liability / assets	0	0
	Provision for bad & doubtful debts, investments & advances	1,418	1,441
	<b>Total deferred tax asset</b>	<b>3,944</b>	<b>3,804</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,210	1,257
	Investment	85	85
	Mining Infrastructure asset	12,642	8,607
	Mining Infrastructure Assets - R&E -Mpet	6,702	8,519
	<b>Total deferred tax liability</b>	<b>20,647</b>	<b>18,468</b>
	<b>Net deferred tax (asset)/liability</b>	<b>16,693</b>	<b>12,663</b>
8	Other non-current assets	As at December 31, 2024	As at March 31, 2024
	A) Capital advances		
	Unsecured, considered good	1,672	2,696
	Unsecured, considered Doubtful	2,654	2,654
	Less: Provision for doubtful advances	(2,654)	(2,654)
	<b>Total</b>	<b>1,672</b>	<b>2,696</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,874	14,075
	Unsecured, considered Doubtful	5,210	5,212
	Less: Provision for doubtful advances	(5,210)	(5,212)
	<b>Total</b>	<b>14,874</b>	<b>14,075</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	31,472	26,257
	Unsecured, considered Doubtful	1,882	1,882
	Less: Provision for doubtful advances	(1,882)	(1,882)
	<b>Total</b>	<b>31,472</b>	<b>26,257</b>
	D) Prepaid expenses	-	648
	<b>Total (A+B+C+D)</b>	<b>50,018</b>	<b>43,676</b>





9	<b>Inventories</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Finished goods (Refer note. 53)		
	- Batteries	23,211	12,618
	- Coal	4,628	7,985
	Less: Provision for obsolete stock		(8)
	Stores and spares	143	135
	<b>Total</b>	<b>27,982</b>	<b>20,731</b>
	Method of valuation: Refer Note no. 2(i) of significant accounting policies		
10	<b>Trade receivables (Current)</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Unsecured, considered good	79,037	74,843
	Unsecured, considered credit impaired	3,417	3,417
	Less: Impairment allowance for doubtful debts	(3,417)	(3,417)
	Unbilled Receivables	-	721
	<b>Total</b>	<b>79,037</b>	<b>74,564</b>
	Refer note no. 51		
11	<b>Cash and cash equivalents</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Cash and cash equivalents		
	Balances with banks:		
	In current accounts and sweep accounts	41,529	28,898
	Cash on hand	1	1
	(A)	<b>41,530</b>	<b>28,899</b>
	Other bank balances		
	Deposits in banks with maturity >3 months and <12 months	1,085	11,233
	Deposits with APSPFCI	55,500	55,500
	(B)	<b>56,585</b>	<b>66,733</b>
	<b>Total</b>	<b>98,115</b>	<b>95,632</b>
12	<b>Loans (current)</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Vehicle loans to staff		
	Secured, considered good	22	14
	Unsecured, considered good		
	Loan to AP state (Bharat Limited & Machilipatnam Urban Development) Authority- Refer Note. 49 & 50	50,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	78	62
	<b>Total</b>	<b>30,100</b>	<b>30,076</b>
13	<b>Other financial assets (Current)</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	Interest accrued on deposits		
	Unsecured, considered good	559	1,283
	Less: Provision for the doubtful portion	(244)	(744)
	<b>Total</b>	<b>715</b>	<b>1,038</b>
14	<b>Other current assets</b>	<b>As at December 31, 2024</b>	<b>As at March 31, 2024</b>
	A) Advances recoverable		
	Unsecured, considered good	831	745
		<b>831</b>	<b>745</b>
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	16,081	27,555
	Prepaid expenses	1,503	990
	Others	168	190
	<b>Total</b>	<b>18,752</b>	<b>28,735</b>
	<b>Total</b>	<b>40,584</b>	<b>29,480</b>



15	Equity share capital	As at December 31, 2024	As at March 31, 2024
	Authorized share capital: 1,00,000 equity shares of Rs. 1,000/- each (December 31, 2024 - 1,00,000 equity shares of Rs. 1,000/- each)	1,000	1,000
		1,000	1,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs. 1,000/- each fully paid up (December 31, 2024 - 63,062 equity shares of Rs. 1,000/- each)	631	631
		631	631
15.1	Additional notes		
	Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period		
	Particulars	As at December 31, 2024	As at March 31, 2024
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year/period		
	Shares outstanding at the end of the year/period	63,062	63,062
15.2	Rights, preferences and restrictions attached to equity shares		
	The company has one class of equity shares having a par value of Rs. 1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.		
15.3	The details of shares in the Company held by each shareholder holding more than 5% shares		
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh represented by assistant secretary to Government (Mines) Industries & Commerce department	63,062 (99.995%)	63,062 (99.995%)
15.4	Details of Shareholding of Promoters		
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh represented by assistant secretary to Government (Mines) Industries & Commerce department	63,062 (99.995%)	63,062 (99.995%)
16	Other equity	As at December 31, 2024	As at March 31, 2024
	Capital reserves		
	Free ride equity shares for consideration other than cash allotted by:		
	i. M/s. Aswani mineral development private limited 55,000 equity shares (March 31, 2024: 55,000) of Rs. 10/- each fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	ii. M/s. SRAP mineral private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	iii. Arham mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs. 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	iv. Isra mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs. 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	v. Morgasree granites private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs. 10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)



vi. Ongole mineral exports private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	33 (13)	33 (13)
vii. RLP granite private limited 1,25,000 equity shares(March 31, 2024: 1,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	33 (33)	33 (33)
viii. M/s A.P. granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s Alliance A.P. black galaxy granites private limited 11,90,000 equity shares(March 31, 2024: 11,90,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	119 (119)	119 (119)
x. M/s Pallavero granites private limited 1,10,000 equity shares(March 31, 2024: 1,10,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xi. M/s A.P. coastal sands & metals private limited., 13,000 equity shares(March 31, 2024: 13,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s.Ongole iron ore mining company private limited 55,100 equity shares(March 31, 2024: 55,100) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	6 (6)	6 (6)
xiii. M/s Gimpex AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xv. M/s Andhra Pradesh iron ore company limited 5,850 equity shares(March 31, 2024: 5,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xvi. M/s.Trinixa baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xvii. M/s.M.V. Minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xviii. Sampaththa Granite Private limited 11,00,000 equity shares (March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110	110



ix. Namdhi Granites India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 20/- each fully paid up	130	130
xi. Shambhavi stones AP Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs 10/- each fully paid up	130	130
	<b>500</b>	<b>500</b>
<b>Other comprehensive income</b>		
Opening balance	(445)	(430)
Other comprehensive Income for the year/period	(31)	(35)
Add/(Less): Transferred from/to retained earnings		
Closing balance	(475)	(465)
<b>Reserve for bad and doubtful debts</b>		
Opening balance	4,889	2,147
Add/(Less): Transferred from/to profit and loss account	(360)	2,741
Closing balance	<b>4,529</b>	<b>4,889</b>
<b>General reserve</b>		
Opening balance	17,019	17,019
Closing balance	<b>17,019</b>	<b>17,019</b>
<b>Retained earnings</b>		
Opening balance	2,77,410	3,04,030
Add/(Less): Profit for the year/period	32,091	1,06,110
	<b>3,24,500</b>	<b>4,10,151</b>
<b>Less: Appropriations</b>		
Reserve for bad and doubtful debts	(360)	2,741
Interim Dividends		1,30,000
Total appropriations	<b>(360)</b>	<b>1,32,741</b>
Closing balance	<b>3,23,860</b>	<b>2,77,410</b>
<b>Total</b>	<b>3,51,433</b>	<b>2,99,373</b>

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

17	Borrowings	As at December 31, 2024	As at March 31, 2024
	Term loan from Banks - Secured		
	From State Bank of India	47,845	55,974
	<b>Total</b>	<b>47,845</b>	<b>55,974</b>

Term loan of Rs. 918 Crores availed from State Bank of India, Industrial finance Bank, Gurur with ROR of (MCLR + 0.25%) 6 months MCLR for Development of Surajit Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly installment of Rs 9 crores in 9 years 12 months. The company has been regular in repayment of principal and interest on due dates.





18	Other financial liabilities (Non-current)	As at December 31, 2024	As at March 31, 2024
	Expenses payable against infrastructural development	1,483	1,483
	Deposits	173	173
	Others	4,435	4,475
	<b>Total</b>	<b>6,091</b>	<b>6,131</b>
19	Provisions (Non-current)	As at December 31, 2024	As at March 31, 2024
	Provision for employee benefits		65
	Provision for gratuity	56	
	Provision for others		
	Provision for decommissioning cost*	10,035	9,388
	<b>Total</b>	<b>10,091</b>	<b>9,453</b>
* Refer note no 20			
20	Other non current liabilities	As at December 31, 2024	As at March 31, 2024
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
21	Borrowings (Current)	As at December 31, 2024	As at March 31, 2024
	Rupee Term Loan from Banks - Secured		
	from State Bank of India		
	Current maturities term loan	10,800	10,800
	Cash Credit		4,699
	<b>Total</b>	<b>10,800</b>	<b>15,499</b>
Term loan of Rs 515 Crores secured from State Bank of India, Industrial Finance Bank. Conlur with 301 of [MCLR+0.25%] 6 months MCLR for Development of Surjan Coal block in Marhaya Pragat. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. The loan is repayable through monthly installment of Rs 5 crores in 5 years 10 months. The company has been regular in repayment of principal and interest on due dates.			
Cash Credit limits of Rs 100 crores with RDI of [MCLR+0.10%] 6 months MCLR availed on 20.01.2024 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (Both Present & future) of the company As at the end of Current reporting period company has no outstanding balance under this cash credit facility			
22	Particulars	As at December 31, 2024	As at March 31, 2024
	Lease Liability (Refer note no 59)	134	134
	<b>Total</b>	<b>134</b>	<b>134</b>
23	Trade payables (Current)	As at December 31, 2024	As at March 31, 2024
	Trade payables (Refer Note.61)		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	8,528	19,437
	<b>Total</b>	<b>8,528</b>	<b>19,437</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below			
	Particulars	As at December 31, 2024	As at March 31, 2024
	a) Principal amount and interest due thereon	-	-
	b) Interest paid in terms of section 16 of MSMED Act	-	-
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act	-	-
	d) Interest accrued and remaining unpaid at the end of the year	-	-
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Dues to the micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.			





24	Other financial liabilities (Current)	As at December 31, 2024	As at March 31, 2024
	Salaries & other benefits payable	13	142
	Earned money and security deposits from customers	2,092	4,649
	Other financial liabilities	19,110	18,222
	Total	21,215	23,013
25	Other current liabilities	As at December 31, 2024	As at March 31, 2024
	Advance from customers	37,431	44,090
	Statutory liabilities	17,245	13,653
	Other liabilities	-	-
	Total	54,676	57,743
26	Current liabilities	As at December 31, 2024	As at March 31, 2024
	Provision for income tax	18,453	14,853
	Total	18,453	14,853



The Andhra Pradesh Mineral Development Corporation Limited

Notes to standalone financial statements for the nine months period ended December 31, 2024

All amounts are in Rs. Lakhs, unless otherwise stated

27	Revenue from operations	For the period ended December 31, 2024	For the year ended March 31, 2024
	Sale of products		
	Barytes	59,075	1,43,304
	Coal	1,58,810	2,09,245
	Survey stones		27,545
	Sale of services		
	Consideration	2,677	4,916
	<b>Total</b>	<b>2,20,562</b>	<b>3,84,059</b>
28	Other income	For the period ended December 31, 2024	For the year ended March 31, 2024
	Interest Income		
	Bank deposits	4,167	11,156
	Loans	4	4
	Others	6	137
	Income from Investments		
	Dividend from M/S AP Geonites (Mid-west) IP Ltd	120	165
	Other non operating income		
	Rent receipts	5	8
	Forfeiture of security deposit	557	815
	Other receipts	358	214
	Sale of tender documents	3	33
	Interest on delay in payment of minimum consideration	-	0
	Liabilities no longer required written back	6	71
	Penalties on RCIM	3,703	-
	Penalties on buyers	4,652	-
	Penalties on others	-	7
	Other miscellaneous income	21	123
	<b>Total</b>	<b>13,744</b>	<b>12,890</b>
29	Changes in inventories of finished goods	For the period ended December 31, 2024	For the year ended March 31, 2024
	a) Opening stock of finished goods	20,603	18,397
		20,603	18,397
	b) Closing stock of finished goods	26,858	20,603
		26,858	20,603
	<b>Changes in inventories of finished goods</b>	<b>(6,255)</b>	<b>(2,207)</b>
30	Employee benefit expenses	For the period ended December 31, 2024	For the year ended March 31, 2024
	Salaries and wages	2,671	3,814
	Contribution to provident fund and other funds	601	989
	Staff welfare expenses	268	451
	<b>Total</b>	<b>3,540</b>	<b>5,254</b>
31	Finance costs	For the period ended December 31, 2024	For the year ended March 31, 2024
	Unwinding of discount on provision	660	804
	Interest on lease liability	6	8
	Interest	4,320	6,331
	Other interests	472	535
	<b>Total</b>	<b>5,457</b>	<b>7,678</b>



32	<b>Depreciation and Amortization expense</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Depreciation of Property, Plant and Equipment	348	639
	Amortization of intangible assets	13,178	18,754
	Depreciation on right of use assets	107	140
	Impairment expenses	-	1,619
	<b>Total</b>	<b>13,633</b>	<b>21,151</b>
33	<b>Power and fuel</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Power and fuel	610	870
	<b>Total</b>	<b>610</b>	<b>870</b>
34	<b>Excavation and transport charges</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Excavation & transport charges for run of mine	4,573	6,120
	Excavation & transport charges for overburden	30,628	37,492
	Excavation of coal & OB removal	54,137	66,376
	<b>Total</b>	<b>89,338</b>	<b>1,09,988</b>
35	<b>Other expenses</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Rent	17	11
	Repairs & maintenance	106	165
	Insurance	21	10
	Rates and taxes	-	-
	Royalty	19,524	30,505
	DMF	2,823	5,109
	NMET	390	610
	Cess	285	624
	Reserve price	15,171	20,212
	MPPGV&A Exp	5,418	7,218
	Forest tax coal exp	2,475	2,968
	Other rates and taxes	263	664
	Administrative and Selling Expenses	-	-
	Operating expenses	218	766
	Purchase of survey stones	-	24,574
	Transport and wagon loading charges	317	1,144
	Selling expenses	204	445
	Prospecting & Mining Lease expenses	28	938
	Office & General expenses	1,560	1,426
	Payment to auditors (refer note no 35.1)	10	13
	Audit fee for other auditors	16	25
	Printing & stationery	40	70
	Corporate Social Responsibility Expenses ( Refer Note No 47)	1,084	3,545
	Remuneration to outsourced services	4,200	4,966
	Bad & doubtful debts	-	476
	Provision for doubtful advances	-	2,571
	Data processing charges	212	73
	Rehabilitation expenses	1,097	1,248
	Donations	500	-
	Miscellaneous expenditure	27	31
	<b>Total</b>	<b>56,008</b>	<b>1,10,757</b>



35.1	Payment to Auditors	For the period ended December 31, 2024	For the year ended March 31, 2024
	Statutory audit fee	10	13
	<b>Total</b>	<b>10</b>	<b>13</b>

### 36 Income Tax

The major components of income tax expense for the period ended December 31, 2024 and March 31, 2024 are:

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
<b>Current Tax Expenses:</b>		
Current income tax charge	15,855	24,563
<b>Total (A)</b>	<b>15,855</b>	<b>24,563</b>
<b>Deferred Tax Expenses:</b>		
In respect of current year origination and reversal of temporary differences	2,019	12,874
<b>Total (B)</b>	<b>2,019</b>	<b>12,874</b>
<b>Total (A+B)</b>	<b>17,875</b>	<b>37,438</b>

### Other Comprehensive Income

Items that will not be reclassified to P&L	For the period ended December 31, 2024	For the year ended March 31, 2024
Remeasurement of defined benefit plan loss/gain		
Gratuity	(10)	(75)
Leave encashment	(21)	(60)
<b>Total</b>	<b>(31)</b>	<b>(135)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
Profit/(loss) before tax as per statement of profit and loss	₹9.965	1,43,557
Applicable tax rate as enacted by the relevant finance Act	25.158%	25.168%
computed tax expense	17,609	₹6,110
<b>Tax effect of:</b>		
i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	2,019	12,874
ii) Adjustment due to expenses not considered under IT Act		
a) CSR expenditure	273	892
b) Change in depreciation & Amortisation	(2,151.86)	(13,210)
c) Provision for doubtful items	-	647
d) Other items	126.00	104
<b>Total income tax expense for the year</b>	<b>17,875</b>	<b>37,438</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.12.2024	As at 31.03.2024
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,702
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax. Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs.1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237, dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>98,993</p> <p>5,565</p>	<p>85,765</p> <p>13,228</p>
Vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2023-24, the total demand raised, deposits made and remaining un paid amount.</p> <p>(Details given below)</p>	<p>2,262</p>	<p>2,262</p>



<b>B</b>	Contingent liability on BG's: bank guarantees furnished to different authorities on behalf of the company.	80,274	80,274
<b>C</b>	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998 1999 to 31-12-2024, the total demand raised, deposits made and remaining unpaid are as follows.

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
Less: Share of TSMDC		-	{311}	-
Share of APMDC		-	469	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st December, 2024

AS at 31st October, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	500	-	500
Loans	-	-	30,553	-	30,553
Trade receivables	-	-	79,037	-	79,037
Cash and Cash equivalents	-	-	41,530	-	41,530
Other bank balances	-	-	56,585	-	56,585
Other financial assets	-	76	11,698	-	11,774
<b>Total</b>	-	<b>76</b>	<b>2,19,904</b>	-	<b>2,19,979</b>
<b>Financial liabilities:</b>					
Borrowings	-	-	-	58,645	58,645
Lease Liability	-	-	-	23	23
Trade payables	-	-	-	8,528	8,528
Other financial liabilities	-	-	-	27,566	27,566
<b>Total</b>	-	-	-	<b>94,763</b>	<b>94,763</b>

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
Financial Assets:					
Investments	-	-	500	-	500
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other Bank balances	-	-	66,733	-	66,733
Other Financial assets	-	75	7,628	-	7,703
Total	-	75	2,08,783	-	2,08,858





<b>Financial Liabilities:</b>					
Borrowings	-	-	-	71,472	71,472
Lease Liability	-	-	-	134	134
Trade payables	-	-	-	19,437	19,437
Other financial liabilities	-	-	-	29,143	29,143
<b>Total</b>	-	-	-	<b>1,20,186</b>	<b>1,20,186</b>

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined/ modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	Up to 31-12-2024	2023-24
<b>Ageing</b>	<b>&gt;12 Months</b>	<b>&gt;12 Months</b>
Gross carrying amount	3,417	3,417
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,417
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	Up to 31-12-2024	2023-24
<b>Ageing</b>	<b>&lt;12 Months</b>	<b>&lt;12 Months</b>
Gross carrying amount	79,037	74,564
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	<b>79,037</b>	<b>74,564</b>

#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and the management of these risks is explained below:



**i. Commercial risk**

**a. Sale price risk**

Particulars	Impact on profit	
	Up to 31-12-2024	2023-24
Selling price increase by 5%		
Barytes & Coal	10,894	17,627
Survey Stones	-	1,377
Selling price decrease by 5%		
Barytes & Coal	(10,894)	(17,627)
Survey Stones	-	(1,377)

**b. Excavation & Transport Charges risk**

Particulars	Impact on profit			
	Up to 31-12-2024		2023-24	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense:				
Excavation & transport charges for run of mine	(229)	229	(306)	306
Excavation & transport charges for overburden	(1,531)	1,531	(1,870)	1,870
Excavation of Coal & OB Removal	(2,707)	2,707	(3,319)	3,319

**40. Management of liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.

**As at 31st December 2024**

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,528	8,528	8,528	-
Non-current financial liabilities	53,936	53,936	-	53,936
Current financial liabilities	32,299	32,299	32,299	-
<b>Total</b>	<b>94,763</b>	<b>94,763</b>	<b>40,827</b>	<b>53,936</b>





As at 31st March 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-12-2024	As at 31-03-2024
Employers contribution to provident fund	139	173
Employers contribution to pension fund	53	78

##### B. Defined benefit plans

i. The following table set out the funded status of the gratuity plans (funded), leave encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> December, 2024 and 31<sup>st</sup> March 2024

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	684	694	682	706
Service cost	15	17	23	27
Interest expenses	35	47	34	52
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
Benefits paid	(73)	(139)	(95)	(36)
Remeasurements - actuarial (gains)/losses	6	55	20	(67)
<b>Benefit obligations at the end</b>	<b>666</b>	<b>684</b>	<b>663</b>	<b>682</b>



Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	619	503	845	822
Interest income	32	41	43	61
Employer contributions	36	224	9	6
Benefit payments from plan assets	(73)	(139)	(95)	(36)
Actuarial gain / (loss) on plan assets	(4)	(10)	(2)	(7)
<b>Benefit obligations at the end</b>	<b>610</b>	<b>619</b>	<b>801</b>	<b>845</b>

**ii. Amount recognized in the Balance sheet**

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
PV of obligations at the end of the year	666	684	663	682
Fair value of plan assets at the end of the year	610	619	801	845
Liability (+) / Asset (-) recognised in the balance sheet	56	65	(138)	(164)

**iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses**

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Service cost	15	17	23	27
Interest expenses	3	6	(9)	(9)
<b>Net expense recognised</b>	<b>18</b>	<b>23</b>	<b>14</b>	<b>18</b>



iv. Amount for the year/period ended December 31, 2024 and March 31, 2024 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Actuarial (gain)/losses on obligations for the period	6	65	20	(67)
Actuarial (gain)/losses on plan assets for the period	4	10	1	7
Net expense recognised	10	75	21	(60)

Assumptions	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Rate of discounting	6.99%	7.21%	6.99%	7.21%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.85%	14.06%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Expected cash flow in year 1	85	104	146	153
Expected cash flow in year 2	72	65	117	122
Expected cash flow in year 3	80	70	104	101
Expected cash flow in year 4	91	76	105	91
Expected cash flow in year 5	34	88	56	94
Expected cash flow in year 6	148	32	95	49
Expected cash flow in year 7	72	147	50	84
Expected cash flow in year 8	8	66	24	44
Expected cash flow in year 9	83	8	60	21





Expected cash flow in year 10	41	85	22	54
Expected cash flow in year 11+	480	485	124	123

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		[% of change]	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	566	684	0.00%	0.00%
Salary escalation - up by 1%	683	702	2.58%	2.65%
Salary escalation - down by 1%	646	664	-2.98%	-2.91%
Withdrawal rates - up by 1%	672	691	0.92%	0.96%
Withdrawal rates - down by 1%	659	677	-1.03%	-1.07%
Discount rates - up by 1%	626	645	-5.96%	-5.73%
Discount rates - down by 1%	711	729	6.80%	6.52%
Mortality rates - up by 10%	667	684	0.05%	0.05%
Mortality rates - down by 10%	666	684	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. in. Lakhs)		[% of change]	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	663	682	0.00%	0.00%
Salary escalation - up by 1%	691	712	4.20%	4.40%
Salary escalation - down by 1%	637	654	-3.90%	-4.10%
Withdrawal rates - up by 1%	663	682	0.00%	0.00%
Withdrawal rates - down by 1%	663	682	0.00%	0.00%
Discount rates - up by 1%	640	658	-3.50%	-3.50%
Discount rates - down by 1%	688	707	3.80%	3.70%
Mortality rates - up by 10%	663	682	0.00%	0.00%
Mortality rates - down by 10%	663	682	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.



#### **x. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and inflation risk**

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk

#### **42. Earnings per share (EPS)**

Particulars	As at 31-12-2024	As at 31-03-2024
Profit after tax before exceptional items	52,090	106,119
Add. exceptional items	-	-
Profit after tax after exceptional items	52,090	106,119
Profit available for equity shareholders	52,090	106,119
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	82,601.80	168,276.58
Basic and diluted earnings per share (In Rupees) – after exceptional item	82,601.80	168,276.58

#### **43. Segment Information**

##### **I. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **II. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.





iv. Secondary segment reporting

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

v. Information about major customers

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,19,528 Lakhs is derived from four customers (P.Y 2,36,138 Lakhs from four customers).

vi. Information about product and services

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

a. Segment reporting for the period from 01-04-2024 to 31-12-2024

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,20,561	-	-	2,20,561
<b>Total segment revenue</b>	<b>2,20,561</b>	<b>-</b>	<b>-</b>	<b>2,20,561</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	73,640	-	-	73,640
Unallocated other income	-	-	4,832	4,832
Unallocated expenses and finance cost	-	-	(8,506)	(8,506)
<b>Profit before exceptional items and tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,675)</b>	<b>69,965</b>
Exceptional items	-	-	-	-
<b>Profit before tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,675)</b>	<b>69,965</b>
Income tax - Current	-	-	(15,855)	(15,855)
Deferred tax	-	-	(2,019)	(2,019)
<b>Profit after tax</b>	<b>73,640</b>	<b>-</b>	<b>(21,550)</b>	<b>52,090</b>
<b>Other information</b>				
Segment assets **	2,82,955	15,266	2,43,263	5,41,484
Segment liabilities **	1,52,179	3,656	33,587	1,89,421
Capital work in progress	632	-	8	640
Depreciation and amortisation	15,372	-	270	15,642



Non-cash expense other than depreciation and amortisation		660	660
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\*\* Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

**Note:** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2023-24**

Particulars	For the year ended 2023-24			Total
	Mining projects	Sand operations	Unallocated	
Segment revenue				
External revenue *	3,56,515	-	27,545	3,84,059
Total segment revenue	3,56,515	-	27,545	3,84,059

\* Segment revenue includes other income which is directly attributable to each segment

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
Segment results				
Profit/(Loss)	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,772	12,772
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
Profit before exceptional items and tax	1,72,093	-	(28,537)	1,43,556
Exceptional items	-	-	-	-
Profit before tax	1,72,093	-	(28,537)	1,43,556
Income tax - current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
Profit after tax	1,72,093	-	(65,975)	1,06,118
Other Information				
Segment Assets **	2,87,044	15,273	2,12,637	5,14,954
Segment Liabilities **	1,56,962	3,696	54,295	2,14,952
Capital work in progress	530	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152
Non-cash expense other than depreciation and amortisation	-	-	3,851	3,851



**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliyan coal company limited	51.00%	51.00%
Nuagaon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pailavared granite private limited	11.00%	11.00%
V V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy (01-04-24 to 07-06-24)	Vice Chairman & Managing Director
Dr. N. Yuvaraj (07-06-24 to 24-06-2024)	
Sri Pravin Kumar, IAS (24-06-2024 onwards)	



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited- APSFSL	
The Commissioner SS&LR Department	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMOC- SCCL Sulyari coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1





Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG. Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.





#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process.
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de-siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.39.07 lakhs against pending payables recognised in previous years.



**46. Deferred tax asset /(liability)**

Particulars	As at 31-12-2024	As at 31-03-2024
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,526	2,363
Provision for lease liability	0	0
Other provisions	3,438	3,441
<b>Total deferred tax asset</b>	<b>5,964</b>	<b>5,804</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,218	1,257
Investments	85	85
Mining Infrastructure Assets	12,642	8,607
Mining Infrastructure Assets - R&R - M'pet	6,702	8,519
<b>Total deferred tax liability</b>	<b>20,647</b>	<b>18,468</b>
<b>Deferred tax asset /(liability) - net</b>	<b>14,683</b>	<b>12,663</b>

**47. CSR Expenditure**

- a. Gross amount required to be spent by the company during the year is Rs 1,331/- (Previous Year Rs 944)
- b. Amount spent during the year

Particulars	Period ended 31-12-2024	Year ended 31-03-2024
Construction/ acquisition of any assets	-	-
Purpose other than above	1,083	3,545

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable
- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction: Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 1,083 lakhs (PY Rs. 3,545 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year/period should be shown separately: Nil



#### 48. Treatment of demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments.
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC –58.32%
  - TSMDC –41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.
- i. The approval of the Telangana State Government is still pending. VC&MD, APMDC has addressed TSMDC vide Lr. No. APMDC/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

**Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:**

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-





<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

<b>Assets</b>	<b>Common Pool</b>	<b>AP</b>	<b>TS</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	165	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,502	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### **Interim division of funds in current accounts, fixed deposits, sweep accounts**

During the financial year 2023-24 a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDCCL on 29<sup>th</sup> January, 2024 and as per terms of the MOU, both APMDCL and TSMDCCL have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio.

Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs 1,393.43 crores and same has been distributed in the population ratio i.e. APMDCL @58.32% and TSMDCCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCCL respectively, vide Memo No.4354/M.I(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines.I) Department, Government of Telangana.

#### **49. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.



The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs.100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II – Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received form the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.

Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under:

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>





APSFL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **50. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the Loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC.

It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

#### **52. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.



Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

### **53. Non valuation of inventory**

#### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (68.30 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s.Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.12.2024 is 1.55 lakh MT's (including 61 MTs of Grade – 1) which the company has not valued.



#### c. Inventory of survey stones

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-12-2024.

#### 54. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Brahmadiha	105.153
Total		1,948.063

#### 55. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSFSCCL)

Company has received a letter from APSFSCCL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSFSCCL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-12-2024 for which deposit certificates have been obtained from the APSFSCCL. APMDCL has received interest regularly till 31-12-2024 and during the period APMDCL has not withdrawn any amounts deposited with the APSFSCCL and confirmation of balance has been obtained.

#### 56. Note on Survey Stones

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDCL with the responsibility of procurement and supply of survey stones to meet the requirement of SS&LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.





Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.

#### **57.Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020.

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No 103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.

#### **58. Note on sale of barytes**

Pursuant to Letter No. 2481753/A2/M.III/2024 dated 16th August 2024, the corporation has recognized revenue from the sale of barytes at the prevailing rates, which are based on the price fixed in December 2023 as per government orders. The previous rate fixed in December 2023 remained in effect until June 2024. Additionally, a 10% premium over the existing price has been collected as a security deposit, which will be adjusted upon the finalization of new prices through the sales tender. Necessary adjustments to sales will be made accordingly. Therefore, the recognized revenues are subject to change to that extent.



**59. Leases (Ind AS 116)**

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the period ended December 31, 2024:

(i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the period ended December 31, 2024.

(ii) Movement in Lease liability with Current/Non-Current break-up:

Particulars	As at 31-12-2024	As at 31-03-2024
Balance at the beginning of the year	134	113
Additions during the year/period	-	167
Deletions during the year/period	3	-
Finance cost accrued during the period	6	8
Payment of lease liabilities	114	155
Balance at the closing of the year/period	23	134

Amounts recognised in profit or loss

Particulars	As at 31-12-2024	As at 31-03-2024
Interest expenses	6	8
Depreciation charge for right-of-use assets	107	140

Contractual maturity analysis of undiscounted lease liabilities is given below:

Maturity Analysis of lease liabilities (undiscounted):

Particulars	As at 31-12-2024	As at 31-03-2024
Less than one year	23	134

**60. Note on provision for decommissioning and deposit under mine closure plan**

A. Details of provision for Decommissioning

Name of the project	As at 31-03-2024	Provision made during the period	Provision reversed during the period	As at 31-12-2024
Mangampet-Barytes	672	47	-	719
Balclay	31	2	-	33
Mangampet - Dolomite	583	40	-	623
Suliyari - Coal	8,102	559	-	8,661
Total	9,388	648	-	10,036





**B. Details of deposit with banks under mine closure plan**

Particulars	As at 31-12-2024	As at 31-03-2024
Opening balance	2,347	1,082
Add: Deposits Made during the year/period	198	1,200
Add: Interest Credited during the year/period (Net of TDS)	88	65
Less: Amount withdrawn during the year/period	-	-
<b>Closing Balance</b>	<b>2,633</b>	<b>2,347</b>

61. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

**62. Analytical Ratios**

The following are analytical ratios for the period ended 31<sup>st</sup> December, 2024.

Sl.no	Particulars	Numerators	Denominators	31-12-24	31-03-24
1	Current Ratio	Current Assets	Current Liabilities	2.49	1.93
2	Debt -Equity Ratio	Total Debt	Shareholders' funds	0.17	0.24
3	Debt service coverage ratio	Earnings available for debt service	Debt services	7.34	10.36
4	Return on equity	Profit after tax	Average shareholders fund	14.8%	35.37%
5	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	9.29	19.7
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	2.87	6.85
7	Trade payable turnover ratio	Net credit purchases	Average trade Payables	6.39	7.09
8	Net Capital Turnover Ratio	Net Sales	Working capital	1.34	3.17
9	Net profit ratio	Net profit	Net sales	23.62%	27.63%
10	Return on capital employed	Earnings before Interest and taxes	Capital employed	18.36%	40.71%
11	Return on investment	Income from investments	Time weighted average investments	44%	33%



12	Dividend payout Ratio	Total Dividend	Net income	-	122.52%
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\*The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12-months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods.

### 63. Additional information

#### a. Particulars of consumption of stores & spares

Particulars	Figures as at the end of December 31, 2024		Figures as at the end of March 31, 2024	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	106	100.00	165	100.00
<b>Total</b>	<b>106</b>	<b>100.00</b>	<b>165</b>	<b>100.00</b>

#### b. Value of imports calculated on CIF basis and expenditure in foreign currency

Particulars	(Rs.in. Lakhs)	
	31-12-2024	31-03-2024
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 64. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023, 20<sup>th</sup> January, 2025 and 05<sup>th</sup> February 2025 respectively, due to non completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2024, the board of directors of the company in their meeting held on 21<sup>st</sup> February, 2025 approved the financial statements for the period ending 31<sup>st</sup> December, 2024.



In view of this, the reported amounts as on 31<sup>st</sup> December, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024. Necessary adjustments if any will be made in subsequent years.

#### **65. Payment of dividend**

During the previous year 2023-24, the company paid an interim dividend of Rs.400.00 crores related to financial year 2022-23 and Rs.900.00 crores related financial year 2023-24.

#### **66. Additional Regulatory Disclosures.**

- a. There no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The company has not been declared a willful defaulter by any bank or financial institutions.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.





- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts.
- h. The company uses an accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the accounting software.
- i. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the period/year.

#### **67. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.

#### **68. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes.
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current period.
- d. The financial Statements for the period of 9 months have been prepared for the purpose of compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in connection with the proposed private placement of securities, approved by the Board in 422th Board Meeting dt. 18-Jan-2024
- e. The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12-months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods. The current period includes adjustments for any events or transactions that occurred during the 9 months, and previous year's results reflects the full annual performance.



- f. All amounts have been reported in Rs. in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs 0.50 lakhs

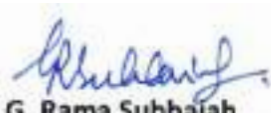
**For M N RAO & ASSOCIATES**  
Chartered Accountants  
Firm Regn No.0053865


  
D.S.S. Srikanth  
Partner  
Mem No.250883



**for and on behalf of the board of directors**

  
Sri Pravin Kumar  
Managing Director  
DIN: 07106418

  
G. Rama Subbaiah  
Director  
DIN: 10015409

  
V.V.V. Phani Kumar  
General Manager-F&A



Place: Vijayawada  
Date: February 21, 2025

UDIN: 25250883 BMF PE08862



**The Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated balance sheet as at December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No	As at December 31, 2024	As at March 31, 2024
<b>ASSETS</b>			
1) Non-current assets			
(a) Property, plant and equipment	3	5,292	7,210
(b) Right-of-use assets	3.1	24	133
(c) Capital work in progress	3.2	640	556
(d) Intangible assets	3.3	1,88,757	1,95,406
(e) Intangible assets under development	3.4	8,598	8,906
(f) Financial assets			
(i) Investments	4	1,535	1,413
(ii) Loans	5	453	383
(iii) Other financial assets	6	11,059	6,665
(g) Other non-current assets	8	50,016	45,676
<b>Total non-current assets</b>		<b>2,66,939</b>	<b>2,64,348</b>
2) Current assets			
(a) Inventories	9	27,001	20,731
(b) Financial assets			
(i) Trade receivables	10	79,037	74,564
(ii) Cash and cash equivalents	11	41,530	28,899
(iii) Other bank balances	11	56,585	66,733
(iv) Loans	12	30,100	30,376
(v) Other financial assets	13	715	1,038
(c) Other current assets	14	40,583	29,480
<b>Total current assets</b>		<b>2,75,551</b>	<b>2,51,521</b>
<b>TOTAL ASSETS</b>		<b>5,42,489</b>	<b>5,15,869</b>
<b>EQUITY AND LIABILITIES</b>			
1) Equity			
(a) Equity share capital	15	631	631
(b) Other equity	16	3,52,437	3,01,268
<b>Total equity</b>		<b>3,53,068</b>	<b>3,00,917</b>
Liabilities			
2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	47,845	55,974
(ii) Lease liability			
(iii) Other financial liabilities	18	6,090	6,121
(b) Provisions	19	10,093	9,453
(c) Deferred tax liability (net)	7	14,683	12,663
(d) Other non-current liabilities	20	254	254
<b>Total non-current liabilities</b>		<b>78,965</b>	<b>84,475</b>
3) Current liabilities			
(a) Financial liabilities			
(i) Short Term Borrowings	21	10,890	15,498
(ii) Lease Liability	22	23	134
(iii) Trade payables	23	8,528	19,437
(iv) Other financial liabilities	24	21,475	24,012
(b) Other current liabilities	25	55,176	57,943
(c) Current tax liabilities	26	14,453	14,453
<b>Total current liabilities</b>		<b>1,10,475</b>	<b>1,20,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,42,489</b>	<b>5,15,869</b>
<b>Notes to financial statements</b>	1-70		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report

For **M N RAO & ASSOCIATES**

Chartered Accountants

Firm Regn No. 0053865

  
D.S.S. Srikanth

Partner

Mem No.250883




UDIN: 25250883-BMKPFU6808

Date: 15-Apr-2025

For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 07186418

  
G. Rama Subbaiah  
Director  
CIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada  
Date : February 21, 2025



**The Andhra Pradesh Mineral Development Corporation Limited**

**Consolidated statement of profit and loss for the nine months period ended December 31, 2024**

All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	Note No.	For the period ended December 31, 2024	For the year ended March 31, 2024
I Revenue from operations	27	2,20,562	3,84,059
II Other income	28	13,524	12,725
III Total Income (I+II)		2,34,086	3,96,784
IV Expenses			
Change in inventories of finished goods	29	(6,255)	(2,207)
Employee benefits expense	30	3,540	5,254
Finance costs	31	5,457	7,678
Depreciation and amortization expense	32	15,642	21,151
Power and fuel	33	610	870
Excavation and transport charges	34	89,338	1,09,889
Other expenses	35	56,008	1,10,757
Total expenses (IV)		1,64,340	2,53,393
V Profit before tax (III-IV)		69,745	1,43,391
VI Share of Profit/(Losses) of joint ventures and associates		313	378
VII Tax expense/(benefit)			
Current tax	36	15,855	24,563
Deferred tax	36	2,019	12,874
Total tax expense/ (benefit) (VII)		17,875	37,438
VIII Profit for the year (V+VI-VII)		52,183	1,06,331
IX Other comprehensive income			
(i) Items that will not be reclassified to profit or loss (Re-measurement of post-employment benefit obligations)		(31)	(15)
(ii) Items that will not be reclassified to profit or loss of JV		(2)	3
(iii) Income tax on above items			
Total other comprehensive income for the year (IX)		(32)	(12)
X Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the reporting period) (VIII+IX)		52,151	1,06,319
Earnings per equity share (EPS) (Face Value of Rs. 1000)			
- Basic (Rs.)	42	82,749.37	1,68,613.73
- Diluted (Rs.)		82,749.37	1,68,613.73
Notes to financial statements	1-70		

The accompanying notes are an integral part of these consolidated financial statements

As per our report

For MNRAD & ASSOCIATES

Chartered Accountants

Firm Regn No: 0053865

D.S.S. Srikanth

Partner

Mem No.250883

UDIN:- 25250883 BMKPFU6808

DATE :- 15- Apr - 2025



For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
DIN: 07106418

G. Rama Subbalah  
Director  
DIN: 10915409

V.V.V. Phani Kumar  
General Manager - F&A

Place : Vijayawada

Date : February 21, 2025



The Andhra Pradesh Mineral Development Corporation Limited  
Consolidated Cash Flow Statement for the nine months period ended December 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	70,058	1,43,769
<b>Adjustments for:</b>		
Interest expense	4,797	5,874
Unwinding of discounting on provisions	640	804
Interest income	(4,575)	(11,608)
Depreciation and amortization expense	15,642	21,157
Provisions for bad & doubtful advances	-	2,571
Bad & doubtful debts	-	476
Liabilities no longer required written back	(6)	(71)
<b>Operating profit before working capital changes</b>	<b>86,576</b>	<b>1,63,967</b>
<b>Adjustments for:</b>		
Increase/(decrease) in trade payables	(10,909)	969
Increase/(decrease) in provisions	(44)	(3,878)
Increase/(decrease) in other financial liabilities	(1,574)	(43,052)
Increase/(decrease) in other liabilities	(2,767)	13,017
Decrease/(increase) in trade receivables	(4,472)	(37,564)
Decrease/(increase) in inventories	(6,270)	(2,249)
Decrease/(increase) in other assets	(17,538)	5,369
Decrease/(increase) in other financial assets	(4,071)	96,739
<b>Cash generated from operations</b>	<b>38,930</b>	<b>1,92,318</b>
Direct taxes paid (net of refunds)	15,855	25,617
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>23,074</b>	<b>1,66,701</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment, intangible assets, including intangible assets under development, CWP and capital advances	(7,336)	(60,871)
Movements in other bank balances	10,149	(3,028)
Loans to staff	(93)	16
Interest received	4,575	11,608
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>7,295</b>	<b>(52,262)</b>
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	(12,827)	11,637
Interest paid	(4,797)	(6,874)
Payment of lease liability	(114)	(155)
Dividends paid including interim dividend	-	(1,30,000)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>(17,738)</b>	<b>(1,25,392)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>12,631</b>	<b>(10,973)</b>
<b>Cash and cash equivalents at the beginning of the year/period</b>	<b>28,899</b>	<b>39,871</b>
<b>Cash and cash equivalents at the end of the year/period</b>	<b>41,530</b>	<b>28,899</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1	1
<b>Balances with scheduled banks</b>		
With current accounts	41,529	28,898
<b>Total cash and cash equivalents (Note 11)</b>	<b>41,530</b>	<b>28,899</b>

The accompanying notes are an integral part of these consolidated financial statements

- a. Figures in brackets indicates outflow  
b. The cash flow statement has been prepared using the indirect method as set out in Ind AS -7

As per our report

For M N Rao & Associates

Chartered Accountants

Firm Regn No: 0053865

D.S.S. Srikanth

Partner

Mem No.250883

UDIN: 25250883 BMKP FU6808

Date: 15-Apr-2025



For and on behalf of the Board of Directors

  
Sri Pravin Kumar  
Managing Director  
DIN: 67106418

  
G. Rama Subbala  
Director  
DIN: 10915409

  
V.V.V. Phani Kumar  
General Manager - F&A

Place: Vijayawada  
Date: February 21, 2025



**The Andhra Pradesh Mineral Development Corporation Limited**

Statement of changes in equity for the nine months period ended December 31, 2024

**A. Equity share capital**

Particulars	No of Shares	Amount (Rs. in Lakhs)
Balance as at April 1, 2023	63,062	651
Changes in equity share capital during 2023-24		
Balance as at April 1, 2024	63,062	631
Changes in equity share capital during 01-04-2024 to 31-12-2024		
Balance as at December 31, 2024	63,062	631

**B. Other equity**

Particulars	Reserves and surplus		Other comprehensive income				Total
	Capital reserve	Reserve for bad and doubtful debts	Other reserves (General reserve)	Retained earnings	Equity instruments through other comprehensive income	Actual gains/losses reserves	Deferred tax on OCI items
Balance as at April 01, 2023	370	2,147	17,216	3,04,529	(57)	(339)	(30)
Profit for the year				1,05,331			
Free ride equity shares in joint ventures	130						
Other comprehensive income for the year						(12)	
Total comprehensive income for the year	130			1,06,331		(12)	
Transfer to reserve for bad and doubtful debts		2,741		(2,741)			
Interim Dividend (FY 2023-24)				(90,000)			
Interim Dividend (FY 2022-23)				(40,000)			
Balance as at March 31, 2024	500	4,889	17,216	2,78,119	(57)	(352)	(30)
Profit for the period				52,183			
Other comprehensive income for the period							
Total comprehensive income for the period				52,183			
Transfer to reserve for bad and doubtful debts		(300)					
Balance as at December 31, 2024	500	4,529	17,216	3,30,662	(57)	(364)	(30)

(Rs. in Lakhs)

As per our report

For M N Rao & Associates

Chartered Accountants

Firm Regn No: 0053805

UDIN:- 25250883BMMKPFU6808

Date :- 15-APR-2025

D.S. Srikanth

Partner

Mem No. 250883

Place: Vijayawada

Date: February 21, 2025

For and on behalf of the Board of Directors

Sri Pravin Kumar  
Managing Director  
(UN-07106418)

G. Rama Subbalakshmi

Director

DDN: 10915409

V.V.V. Bhani Kumar

General Manager F&A

## Notes to the consolidated financial statements

### 1. Corporate information

The Andhra Pradesh Mineral Development Corporation Ltd ("The Company") and its subsidiaries (collectively referred to as "The Group") are principally engaged in development of mineral resources and promotion of mineral-based industries in India including exploration, exploitation, conservation, processing, beneficiation and conversion into value added products.

### 2. Significant accounting policies

#### a. Statement of compliance

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2020 and relevant provisions of the Companies Act, 2013.

The Consolidated financial statements for the period from April 1, 2024, to December 31, 2024, comprise the Consolidated Balance Sheet as at December 31, 2024; the Consolidated Statement of Profit and Loss (including Other Comprehensive Income); the Consolidated Statement of Cash Flows; the Statement of Changes in Equity for the period then ended; and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements"). These consolidated financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), as specified under Section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other recognized accounting principles and policies generally accepted in India. However, they do not include certain presentation and disclosure requirements prescribed under Ind AS 34, such as certain explanatory information and comparative financial information. Accordingly, the consolidated financial statements have been prepared using a framework by the management of the Company for use by the Board of Directors and Investment bankers for the purpose of private placement of securities.

#### b. Basis of consolidation

The consolidated financial statements ("CFS") relate to Andhra Pradesh Mineral Development Corporation ("the Company") and its subsidiary companies (the Company and its subsidiaries collectively referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in un-realised profits or losses, in accordance with Indian accounting standard 110 - "Consolidated Financial Statements"





- ii. In the case of investment in subsidiaries, where the Company's shareholding is less than 100%, non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.
- iii. An associate is an entity over which the group is in a position to exercise significant influence over operating and financial policies.
- iv. A joint arrangement is an arrangement of which two or more parties have joint control, joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.  
  
Investments in joint arrangements are classified as either joint operations or joint venture. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- v. Investment in associates/joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.
- vi. The difference between the cost of investment in the subsidiaries, joint ventures, and associates and the Company's share of net assets at the time of acquisition of shares in the subsidiaries, joint ventures and associates is recognized in the financial statements as goodwill or capital reserve as the case may be.

**c. Functional and presentation currency**

The consolidated financial statements are presented in Indian rupees, which is also the functional currency for all its operations. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless stated otherwise.

**d. Use of Judgements, estimates and assumptions**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period.

Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed.



Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

#### **Judgements**

In the process of applying the group accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### **Formulation of accounting policies**

Accounting policies are formulated in a manner that result in consolidated financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. In the absence of an Ind As that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a. relevant to the economic decision-making needs of users and
- b. reliable in that financial statements:
  - i. represent faithfully the financial position, financial performance and cash flows of the group;
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - iii. are neutral, i.e. free from bias;
  - iv. are prudent; and
  - v. are complete in all material respects on a consistent basis.

In making the judgement, management considers the most recent pronouncements of the Institute of Chartered Accountants of India and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The group operates in the mining sector (a sector where the exploration, evaluation, development production phases are based on the varied topographical and geo mining terrain spread over the lease period running over decades and prone to constant changes), the accounting policies whereof have evolved based on specific industry practices supported by research committees and approved by the various regulators owing to its consistent application over the last several decades. The key areas involving critical estimates or judgements are in respect of useful lives of Property, Plant and Equipment, valuation of deferred tax assets, provisions and contingent liabilities etc.



**e. Current and non-current classification**

The group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current, when it satisfies any of the following criteria:

- It is expected to be realized in or is intended for sale or consumption in the group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.

All other assets are classified as non-current.

A liability is classified as current, when it satisfies any of the following criteria:

- it is expected to be settled in the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The group has deemed its operating cycle as twelve months for the purpose of current/non-current classification.

**f. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of products**

Revenue from sale of products / goods is recognized, when the group has transferred significant risks and rewards of ownership of the goods to the buyer, it no longer retains control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sale of goods is recognised gross of all statutory levies i.e. Royalty, DMF, MERIT, cess collected on behalf of third parties except for Goods and Service Tax.

**ii. Consideration**

Consideration amount from raising cum sale contracts is reduced to the extent of sales made subject to charge of minimum consideration amount as per terms the agreements entered with the respective customers. Consideration is reported net of discounts, indirect taxes, service taxes and Goods and Service Tax.

**iii. Dividend**

Dividend income is recognized in the statement of profit and loss only when the right to receive dividend is established.



#### **iv. Interest Income**

Interest Income from debt instruments is accrued on a time basis, by reference to the principal outstanding using the effective interest rate method. Interest income from loans and advances to employees has been recognised on realisation basis.

Interest income on irregular/overdue advances has been recognised on realisation basis

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation and can be measured reliably.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### **g. Property, plant and equipment**

Property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset until the property, plant and equipment are ready for use, as intended by the management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the property, plant and equipment and is recognised in the statement of profit and loss.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives as prescribed in schedule II of the Companies Act, 2013 on written down value basis, except for certain assets where the useful life





is determined by technical assessment / Group's past experiences. Assets acquired under finance lease and lease hold improvements are depreciated over the lower of estimated useful life and lease term. Fixed assets costing five thousand or less are fully depreciated in the year of purchase.

Decommissioning assets is depreciated on a unit of production method over the expected useful life of the identified component of the ore body. The estimated useful lives and residual values are reviewed at end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Assets in the course of construction are capitalized in capital work in progress account.

At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Mining properties and other assets in the course of development or construction and freehold land are not depreciated.

**h. Intangible assets**

Intangible assets are measured on initial recognition at cost including all directly attributable cost (net of recoverable taxes, if any). They are amortised on Written Down Value method (WDV) based on the useful lives determined based on technical evaluation done by the management except mining exploration and evaluation and development assets, which are amortised using a unit-of-production method based on the data available with the group as regards extraction of the minerals as compared to the technical estimation of gross geological mineral reserves as mentioned in the mining plan submitted/approved to the mining authorities. Capitalised mining rights are amortised once commercial production commences. The intangible assets are assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

**i. Impairment**

Assets are tested for impairment when carrying cost exceeds its recoverable value. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. An impairment loss is charged to statement of profit and loss in the year in which an asset is identified as impaired.

**j. Foreign currency transactions and balances**

Transactions in foreign currency are translated to the functional currency of the group at the exchange rates prevailing at the dates of the transactions.





Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

**k. Investment in subsidiaries, associates and joint ventures**

A subsidiary is an entity controlled by the Company. Investment in subsidiaries is measured at cost less impairment. The cost comprises price paid to acquire investment and directly attributable cost.

Investments in subsidiary, associates and joint ventures are measured at cost as per 'Ind AS 27 – Separate financial statements.

**l. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in the normal course of business for bringing such inventories to their present location and condition and includes, wherever applicable, appropriate overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for quantity of 15,00,000 MTs from financial year 2023-24 onwards and the remaining stock is considered without value (Refer note no. 54)

**m. Employee benefits**

**Short term employee benefit obligations**

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



#### **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method.

The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Other comprehensive income.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### **Post-employment obligation**

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees.
- Defined contribution plans such as provident fund

#### **Defined benefit plan**

The liability or asset recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax).

They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.



#### **Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Pension Fund, Superannuation Fund and Employees State Insurance are defined contribution plans. The Group recognises contribution payable to a defined contribution plan as an expense, when an employee renders the related service.

#### **n. Taxes on Income**

Income Tax expense comprises of current tax and deferred tax.

The current income tax is the amount of income taxes payable in respect of the taxable income for a period, determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### **o. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-financial liabilities as deferred income and are recognised in Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.



Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement of profit and loss in the period in which they become receivable.

**p. Provisions, contingent liabilities and contingent assets**

**Provisions**

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit or loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. Progressive mine closure expenses are accounted for as and when incurred.

As per the mine closure guidelines issued by the department of mines and geology, Government of Andhra Pradesh on 27th Feb 2017, the annual mine closure cost needs to be provided @ Rs. 3.00 Lakh per hectare for category A mines and Rs. 2.00 lakh per hectare for category B mines and as per mine closure guidelines issued by the nominated authority, Ministry of coal on 29<sup>th</sup> May 2020, the escalated rate for current base year i.e. 01-04-2019 is Rs. 9 lakh per hectare for opencast mines. Such annual cost is required to be modified with reference to WPI as mentioned and considered in the mine closure plan submitted / approved for the respective mines. The mine closure provisions are required to be provided in line with the approved / submitted / prepared mine closure plans. In case the mine closure plan has not been submitted / approved / prepared, the annual cost is estimated based on the above referred guidelines.

In the case of Barytes, mining plans are generally prepared every 5 years or such shorter intervals as prescribed by mining authorities and the stripping ratio estimate keeps changing based on the situation as on the date of preparation of the plan. The provision for shortfall in the quantity of overburden is restated in line with the updated mining plan and the previous provision, if any shall be reversed. Excess quantity of overburden removed over and above the stripping ratio as per mining plan is adjusted to the extent of provision available in the books. Any further excess quantity which is in the nature of an asset is not recognised in the books.



#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because:-

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

#### **Contingent assets**

Contingent assets are not recognised in the financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

#### **q. Segment reporting**

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

Accordingly, the board of directors of the Company is CDDM for the purpose of segment reporting. Refer note no. 43 for segment information presented.

#### **r. Leases**

The company lease assets consist of lease for buildings. The company assesses whether a contract is or contain a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assess whether:

- i. The contract involves the use of identified asset.
- ii. The company has substantially all of the economic benefits from use of the asset through the period of lease and
- iii. The company has right to direct the use of the asset.

At the date of commencement of the lease, the group recognised a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term lease) and leases of low value assets up to one lakh per month

The right-of-use assets are initially recognised at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on straight line basis over the shorter of the lease term and useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the





lease or, if not readily determinable, using incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made

A lease liability is remeasured upon the occurrence of certain events such as change in lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjust the leased assets

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**t. Cash flow statement**

Cash flows are reported using the indirect method, whereby the profit before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**u. Borrowing costs**

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of cost of the assets until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale. Borrowing cost also includes foreign exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are recognised as an expense in the period in which they are incurred

**v. Earnings per share (EPS)**

Basic EPS is calculated by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Group does not have any dilutive securities in any of the years presented.

**w. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In measuring fair value of an asset or liability, the



group takes into account those characteristics of the assets or liability that market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **k. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### **Financial assets - subsequent measurement**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **i. Financial assets measured at amortised cost**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise, on specified dates, to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

#### **ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and the asset's contractual cash flows represents solely payments of principal and interest.



The group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity instruments not held for trading. If the group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income (OCI). On sale of investments, cumulative gain or loss is recognised in OCI and the amount is not reclassified to profit or loss.

**iii. Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the group may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments that do not meet the amortized cost criteria are measured at FVTPL.

**iv. De-recognition of financial assets**

The group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**Financial liabilities – subsequent measurement**

All financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL.

**i. Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when it is held for trading or it is designated as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**ii. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

**iii. De-recognition of financial liabilities**

The group de-recognizes financial liabilities when and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred and the consideration paid and payable is recognized in Statement of profit and loss as other income or finance costs.



**y. Reserve for bad and doubtful debts**

Reserve for bad and doubtful debts is maintained @ 5.73% of net trade receivables.

**z. Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group is such that its disclosure improves the understanding of the performance of the group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**aa. Exploration and Evaluation**

Exploration and evaluation expenditure comprises costs that are directly attributable to:

- Researching and analysing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies

Exploration expenditure relates to the initial search for deposits with economic potential. Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. All evaluation and exploration expenses till high degree of confidence is achieved are expensed. Evaluation expenditures are capitalised as Intangible assets when there is a high degree of confidence that the group will determine that a project is commercially viable, that is the project will provide a satisfactory return relative to its perceived risks, and therefore it is considered probable that future economic benefits will flow to the group.

The carrying values of capitalized evaluation expenditure are reviewed for impairment every year by management. Amortization of exploration intangible assets commences in the year when commercial operations begin. The amortization expense is then calculated using the unit of production method, which allocates the cost of the exploration intangible assets based on the ratio of the current period's production to the total estimated reserves as per the approved mining plan.

**ab. Restatement of earliest prior period financials on material error/omissions**

The value of error and omissions is construed to be material for restating the opening balance of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income/expense exceeds 2.00% of the previous year turnover of the company.





**The Andhra Pradesh Mineral Development Corporation Limited**

**Property, Plant and Equipment, Capital work in progress, intangible assets, intangible assets under development, Right of use asset for the nine months period ended December 31, 2024**

(Rs. In Lakhs)

Note 3

Property, Plant And Equipment For The Period Ended 31.12.2024											
Particulars	Gross Block			Depreciation Block					Net Block		
	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation For the Year	Impairment Loss *	Disposal / Adjustments/ Transfer	Accumulated Depreciation as at December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Land	5,668	-	1,079	4,589	-	-	-	-	4,589	-	5,668
Quarters & Pucca Constructions	448	37	-	485	284	23	-	-	307	178	164
Mining Equipment	713	-	-	722	411	19	-	-	632	50	109
Furniture & fixtures	329	0	-	329	181	38	-	-	219	110	197
Office Equipment	276	1	-	278	240	11	-	-	251	27	31
Costa Processing Equipment	373	14	-	387	308	36	-	-	341	44	62
Vehicles	82	-	-	322	233	30	-	-	261	64	94
Tenets & rights	153	10	-	163	114	25	-	-	142	21	40
Plant & Machinery	3,679	56	-	3,736	2,806	172	-	-	2,978	758	574
Investment building	255	-	-	255	202	-	-	-	242	13	13
Total	12,229	116	1,079	13,269	5,019	358	-	-	5,377	5,892	7,210
Less: Depreciation capitalised during the year	-	-	-	-	-	0	-	-	-	-	-
Total	12,229	116	1,079	13,269	5,019	358	-	-	5,377	5,892	7,210
Previous year - 2023-24	11,637	593	-	12,229	5,466	639	914	-	5,019	7,210	8,771

\* As per directions of the Government of AP, corporation has initiated selling up all four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SSBIR department. Government of AP and Andhra Pradesh has initiated operations in the year 2023-2024 and stopped production in the month of August, 2023. In view of uncertainty in conducting future operations, management has decided to impair the plant and machinery in the year 2023-24. Accordingly, an amount of Rs 914.00 lakhs has been recognised as an impairment costs in financial year 2023-24.

Note 3.1

LEASED ASSETS - RIGHT OF USE	Cost as at April 1, 2024	Additions	Disposals/ adjustments/ transfer	Cost as at December 31, 2024	Accumulated Depreciation as at April 1, 2024	Depreciation For the Year	Disposal / Adjustments / Transfer	Accumulated Depreciation as December 31, 2024	Net block as at December 31, 2024	Net block as at March 31, 2024
Right of use asset	149	-	26	102	37	107	24	119	22	133
Total	169	-	26	142	37	107	24	119	22	133
Previous year - 2023-24	274	164	274	169	171	140	274	37	133	102





Note 3.2 Capital work in progress		
Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	1,261	914
Add: Additions during the reporting period	1,035	539
Less: Transferred to Property, Plant & Equipment	951	193
Closing Gross Carrying Value	1,345	1,261
Accumulated Impairment Allowance		
Balance at the beginning of the year/period	705	-
Add: Additions during the year/period	-	705
Closing Accumulated Impairment Allowance	705	705
Closing net carrying value	640	556

Capital work in progress ageing schedule as at 31.12.2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	335	211	294	-	640
Projects temporarily suspended	-	130	366	709	705

Capital work in progress ageing schedule as at 31.03.2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	736	340	-	-	556
Projects temporarily suspended	130	366	709	-	705

As per directions of the Government of AP, corporation has initiated writing up of four (4) granite stone cutting units in the districts of Prakasam, Chittoor, Ananthapuram and Srikakulam for supply of survey stones to the SS&LR department, Government of AP and engaged contractors on turnkey basis. Out of the four units, Balakurava unit in Prakasam district has commenced operations in the year 2022-23 and stopped production in the month of August, 2023 and remaining Three (3) units are still in implementation stage and management has uncertainty in continuing future operations. Accordingly, an amount of Rs.705.00 lakhs has been recognised as an impairment costs in the year 2023-24.

### 3.3 Intangible Assets

Particulars	As at December 31, 2024	As at March 31, 2024
Computer software	217	305
Decommissioning assets	6,287	6,570
Mining Infrastructure assets	1,55,619	1,54,642
Mining Infrastructure assets - O&M -Aipei	26,628	33,849
Total	1,88,752	1,95,406

#### A.Computer Software

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	423	34
Add: Additions during the year/period	8	789
Less: Disposals/ adjustments/transfer	-	-
Closing Gross Carrying Value	430	423
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	77	32
Add: Additions during the year/period	136	45
Less: Deletions / Adjustments	-	-
Closing Accumulated Impairment Allowance	213	77
Net carrying value	217	346

#### B.Decommissioning Assets

Particulars	As at December 31, 2024	As at March 31, 2024
Gross carrying amount at beginning	7,177	8,745
Add: Additions during the year/period	-	0
Less: Disposals/ adjustments/transfer	-	1,168
Closing Gross Carrying Value	7,177	7,177
Accumulated Amortisation & Impairment		
Balance at the beginning of the year/period	637	268
Add: Additions during the year/period	283	349
Less: Deletions / Adjustments	-	6
Closing Accumulated Impairment Allowance	890	607
Net carrying value	6,287	6,570



C. Mining Infrastructure Assets					
Particulars	As at December 31, 2024	As at March 31, 2024			
Gross carrying amount at beginning	1,65,112	1,51,678			
Add: Additions during the year/period	7,554	19,030			
Less: Disposals/ adjustments/transfer	-	-			
Closing Gross Carrying Value	1,72,666	1,65,112			
Accumulated Amortisation & Impairment					
Balance at the beginning of the year/period	10,470	2,770			
Add: Additions during the year/period	6,577	7,696			
Less: Deletions / Adjustments	-	-			
Closing Accumulated Impairment Allowance	17,047	10,470			
Net carrying value	1,55,619	1,54,642			
Corporation has incurred an amount of Rs.1,65,112 lakhs till the end of previous financial year on its Sulavari coal mine project and same has been capitalised under mining infrastructure assets. Additionally, during the current reporting period an amount of Rs.7,554 lakhs has been capitalised and amortised based on the unit of production method.					
D. Mining Infrastructure - R&R - Asset					
Particulars	As at December 31, 2024	As at March 31, 2024			
Gross carrying amount at beginning	44,513	-			
Add: Additions during the year/period	962	44,513			
Less: Disposals/ adjustments/transfer	-	-			
Closing Gross Carrying Value	45,475	44,513			
Accumulated Amortisation & Impairment					
Balance at the beginning of the year/period	10,654	-			
Add: Additions during the year/period	8,182	10,664			
Less: Deletions / Adjustments	-	-			
Closing Accumulated Impairment Allowance	18,847	10,664			
Net carrying value	26,628	33,849			
Corporation has incurred an amount of Rs.44,513 lakhs till the end of previous financial year towards R&R costs in connection with the Mangalore barytes project. During the current reporting period, an amount of Rs.962 lakhs has been capitalised and same has been amortised in proportion to the balance reserves available as at the beginning of the current financial year.					
3.4 Exploration intangible assets under development					
Particulars	As at December 31, 2024	As at March 31, 2024			
Gross carrying amount at beginning	8,906	6,316			
Add: Additions during the year/period	35	2,590			
Less: Adjustments/transfer	342	-			
Closing Gross Carrying Value	8,598	8,906			
Accumulated Amortisation & Impairment					
Balance at the beginning of the year/period	-	-			
Add: Additions during the year/period	-	-			
Less: Deletions / Adjustments	-	-			
Closing Accumulated Impairment Allowance	-	-			
Net carrying value	8,598	8,906			
Exploration intangible assets under development Aging schedule as at 31.12.2024					
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35	2,590	1,982	4,031	8,598
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,598
Exploration intangible assets under development Aging schedule as at 31.03.2024					
Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,590	2,285	4,031	-	8,906
Projects temporarily suspended	-	-	-	-	-
Total Exploration intangible assets under development					8,906
The corporation has incurred and capitalized an amount of Rs. 8,598 lakhs towards the development of Brahmedity Coal Mine till the end of the current reporting period. The mining plan for the project has been approved, and the management have confident about commencing its commercial operations in the next one to two years.					



The Andhra Pradesh Mineral Development Corporation Limited  
Notes to consolidated financial statements for the nine months period ended December 31, 2024  
All amounts are in Rs. Lakhs, unless otherwise stated

4	Non-current Investments	As at December 31, 2024	As at March 31, 2024
	Unquoted equity instruments - Investments measured at cost		
	Investment in subsidiary companies		
	i. M/s.APMDC - SECL sullivan coal company limited 5,100 equity shares (March 31, 2024: 5,100) of Rs.10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	ii. M/s Nuagson coal company limited 5,000 equity shares (March 31, 2024: 5,000) of Rs.10/- each fully paid up	60	60
	Less: Provision made for diminution in the value of shares	(60)	(60)
	iii. M/s Andhra phosphate (P) Ltd 1,110 equity shares (March 31, 2024: 1,100) of Rs.1,000/- each fully paid up	11	11
	Less: Provision made for diminution in the value of shares	(11)	(11)
	iv. M/s Ongole iron ore mining company private limited 56,100 equity shares (March 31, 2024: 56,100) of Rs.10/- each fully paid up	6	6
	Less: Provision made for diminution in the value of shares	(6)	(6)
	Investment in Associates		
	v. M/s. Aswani mineral development private limited 65,000 equity shares (March 31, 2024: 65,000) of Rs.10/- each fully paid up	7	7
	Less: Provision made for diminution in the value of shares	(7)	(7)
	vi. M/s.SPAP mineral private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs.10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	vii. M/s. Atham mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	viii. M/s. Isra mineral exports private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	x. M/s. Mangasree granites private limited 1,30,000 equity shares (March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13	13
	Less: Provision made for diminution in the value of shares	(13)	(13)
	xi. M/s. Ongole mineral exports private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs.10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xii. M/s. R.P. Granite private limited 3,25,000 equity shares (March 31, 2024: 3,25,000) of Rs.10/- each fully paid up	33	33
	Less: Provision made for diminution in the value of shares	(33)	(33)
	xiii. M/s A.P. coastal sands & metals private limited 13,000 equity shares (March 31, 2024: 13,000) of Rs.10/- each fully paid up	1	1
	Less: Provision made for diminution in the value of shares	(1)	(1)
	xiv. M/s Andhra Pradesh tribal mining private limited 28,600 equity shares (March 31, 2024: 28,600) of Rs.10/- each fully paid up	3	3
	Less: Provision made for diminution in the value of shares	(3)	(3)



xv. Samvuktha Granite Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	6	6
xvi. Neendhi Granites India Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	127	127
xvi. Shambhav stones AP Private limited 13,00,000 equity shares(March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	128	128
<b>Investment in Joint Ventures</b>		
xvii. M/s.A.P.granites (midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up	1,244	1,152
xviii. M/s.Alliance A.P.black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xix. M/s.Palazared granite private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xx. M/s.Gimpar AP barytes beneficiation private limited 1,320 equity shares(March 31, 2024: 1,320) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xxi. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xxii. M/s.Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xxiii. M/s.Times baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xxiv. M/s.M.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
<b>Investments measured at amortised cost</b>		
Investment in Government Securities (unquoted)	71	71
Less: Provision made for doubtful investment	(71)	(71)
	<b>1,505</b>	<b>1,413</b>
Aggregate amount of quoted investments - Market value		-
Aggregate amount of quoted investments - Book value		-
Aggregate amount of unquoted investments	1,505	1,413
Aggregate amount of impairment	576	576
Aggregate Provision made for doubtful investment	71	71



5	Loans (Non-current)	As at	As at
		December 31, 2024	March 31, 2024
	Loans and advances to employees		
	Unsecured, considered good	453	383
	Unsecured, considered doubtful	9	9
	Less: Allowance for bad and doubtful debts	(9)	(9)
	<b>Total</b>	<b>453</b>	<b>383</b>
6	Other financial assets (Non-current)	As at	As at
		December 31, 2024	March 31, 2024
	Security Deposits		
	Unsecured, considered good	285	257
	Unsecured, considered doubtful	93	93
	Less: Provision for doubtful debts	(93)	(93)
	<b>Total</b>	<b>285</b>	<b>257</b>
	Balance in current accounts (Fremont)	209	204
	Deposits in the form of Bank guarantees	7,532	3,856
	Deposit in Bank under Mine Closure plan *	2,633	2,347
	Unsecured, considered doubtful		
	Balance in post office savings account	4	4
	Less: Provision for doubtful portion	(4)	(4)
	<b>Total</b>	<b>11,059</b>	<b>6,665</b>
* Following the guidelines from Ministry of Coal, Government of India for preparation of Mine Closure Plan, an Escrow Account has been opened and deposits are made as required. (Refer note no 60)			
7	Deferred tax liability (Net)	As at	As at
		December 31, 2024	March 31, 2024
	Deferred tax asset		
	Provision for decommissioning costs	2,526	2,363
	Provision for lease liability / assets	0	0
	Provision for bad & doubtful debts, investments & advances	1,438	3,443
	<b>Total deferred tax asset</b>	<b>5,964</b>	<b>5,806</b>
	Deferred tax liability		
	Property, Plant & Equipment	1,238	1,257
	Investment	85	85
	Mining Infrastructure asset	12,642	8,607
	Mining Infrastructure Assets - R&D-Minet	6,702	8,519
	<b>Total deferred tax liability</b>	<b>20,667</b>	<b>18,468</b>
	<b>Net deferred tax (asset)/liability</b>	<b>14,683</b>	<b>12,663</b>
8	Other non current assets	As at	As at
		December 31, 2024	March 31, 2024
	A) Capital advances		
	Unsecured, considered good	3,673	2,686
	Unsecured, considered Doubtful	2,654	2,604
	Less: Provision for doubtful advances	(2,654)	(2,604)
	<b>Total</b>	<b>3,673</b>	<b>2,686</b>
	B) Advances to contractors and other Government departments		
	Unsecured, considered good	14,874	14,075
	Unsecured, considered Doubtful	5,210	5,212
	Less: Provision for doubtful advances	(5,210)	(5,212)
	<b>Total</b>	<b>14,874</b>	<b>14,075</b>
	C) Balance with Statutory Authorities		
	Unsecured, considered good	31,472	26,257
	Unsecured, considered Doubtful	1,882	1,882
	Less: Provision for doubtful advances	(1,882)	(1,882)
	<b>Total</b>	<b>31,472</b>	<b>26,257</b>
	D) Prepaid expenses		649
	<b>Total (A+B+C+D)</b>	<b>50,019</b>	<b>43,477</b>





9	Inventories	As at December 31, 2024	As at March 31, 2024
	Finished goods (Refer note, 5A)		
	- Batches	23,231	17,618
	- Cost	3,678	7,985
	Less: Provision for obsolete stock		(8)
	Stores and spares	143	155
	Total	27,052	25,750
	Method of valuation: Refer Note no. 21-22 regarding accounting policies		
10	Trade receivables (Current)	As at December 31, 2024	As at March 31, 2024
	Unsecured, considered good	79,037	73,843
	Unsecured, considered credit impaired	3,417	3,417
	Less: Impairment allowance for doubtful debts	(3,417)	(3,417)
	Unbilled Receivables	-	721
	Total	79,037	74,556
	Refer note no. 62		
11	Cash and cash equivalents	As at December 31, 2024	As at March 31, 2024
	Cash and cash equivalents		
	Deposits with banks		
	In Current accounts and sweep accounts	41,529	28,888
	Cash on hand	1	1
	(A)	41,530	28,889
	Other bank balances		
	Deposits in banks with maturity >3 months and <12 months	1,085	11,713
	Deposits with APSPSCL	51,100	55,500
	(B)	52,185	67,213
	Total	93,715	96,102
12	Loans (current)	As at December 31, 2024	As at March 31, 2024
	Vehicle loans to staff		
	Secured, considered good	22	16
	Unsecured, considered good		
	Loan to AP state Fibre net Limited & Machilipatnam Urban Development Authority- Refer Note 50 & 51	30,000	30,000
	Loans and advances to employees		
	Unsecured, considered good	78	64
	Total	30,100	30,076
13	Other financial assets (Current)	As at December 31, 2024	As at March 31, 2024
	Interest accrued on deposits		
	Unsecured, considered good	959	1,283
	Less: Provision for the doubtful portion	(204)	(244)
	Total	755	1,039
14	Other current assets	As at December 31, 2024	As at March 31, 2024
	A) Advances recoverable		
	Unsecured, considered good	811	705
		831	745
	B) Others - specified		
	Unsecured, considered good		
	Balance with statutory authorities	38,081	27,555
	Prepaid expenses	1,503	990
	Others	168	190
	Total	39,752	28,925
	Total	40,565	29,480



15	Equity share capital	As at December 31, 2024	As at March 31, 2024
	Authorised share capital: 1,00,000 equity shares of Rs.1,000/- each (December 31, 2024 - 1,00,000 equity shares of Rs.1,000/- each)	1,000 1,000	1,000 1,000
	Issued, subscribed and fully paid up share Capital: 63,062 equity shares of Rs.1,000/- each fully paid up (December 31, 2024 - 63,062 equity shares of Rs.1,000/- each)	631 631	611 631
<b>15.1 Additional notes:</b>			
Reconciliation of number of equity shares outstanding at the beginning and at the end of the reporting period			
	Particulars	As at December 31, 2024	As at March 31, 2024
	Shares outstanding at the beginning of the year	63,062	63,062
	Shares issued during the year/period		
	Shares outstanding at the end of the year/period	63,062	63,062
<b>15.2 Rights, preferences and restrictions attached to equity shares</b>			
The company has one class of equity shares having a par value of Rs.1,000/- per share. Each equity shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.			
<b>15.3 The details of shares in the Company held by each shareholder holding more than 5% shares</b>			
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh, represented by Assistant Secretary to Government (Mineral Industries & Commerce department)	63,059 (99.995%)	63,059 (99.995%)
<b>15.4 Details of Shareholding of Promoters</b>			
	Name of the share holder	As at December 31, 2024	As at March 31, 2024
	Governor of the Andhra Pradesh, represented by Assistant Secretary to Government (Mineral Industries & Commerce department)	63,059 (99.995%)	63,059 (99.995%)
16	Other equity	As at December 31, 2024	As at March 31, 2024
	Capital reserves		
	Free-ride equity shares for consideration other than cash allotted by		
	i. M/s. Awan mineral development private limited 65,000 equity shares(March 31, 2024: 65,000) of Rs.10/- each fully paid up	7 (7)	7 (7)
	Less: Provision made for diminution in the value of shares		
	ii. M/s. SRAP mineral private limited 3,25,000 equity shares(March 31, 2024: 1,25,000) of Rs.10/- each fully paid up	33 (33)	33 (33)
	Less: Provision made for diminution in the value of shares		
	iii. Arham mineral exports private limited 1,30,000 equity shares(March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	iv. Isra mineral exports private limited 1,30,000 equity shares(March 31, 2024: 1,30,000) of Rs.10/- each fully paid up	13 (13)	13 (13)
	Less: Provision made for diminution in the value of shares		
	v. Maigasree granites private limited 1,50,000 equity shares(March 31, 2024: 1,50,000) of Rs.10/- each fully paid up	15 (15)	15 (15)
	Less: Provision made for diminution in the value of shares		



v. Ongole minerals exports private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	33 (13)	11 (13)
vi. RLP granite private limited 3,25,000 equity shares(March 31, 2024: 3,25,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	33 (33)	33 (13)
vii. M/s A.P granites (Midwest) private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs. 10/- each fully paid up	110	110
ix. M/s.Alliance A.P black galaxy granites private limited 11,00,000 equity shares(March 31, 2024: 11,00,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
x. M/s. Pallavaram granites private limited 1,10,000 equity shares(March 31, 2024: 1,10,000) of Rs. 100/- each fully paid up Less: Provision made for diminution in the value of shares	110 (110)	110 (110)
xi. M/s. A.P coastal sands & metals private limited. 13,000 equity shares(March 31, 2024: 13,000) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xii. M/s Ongole iron ore mining company private limited 56,100 equity shares(March 31, 2024: 56,100) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	6 (6)	6 (6)
xiii. M/s. Ganges AP barytes beneficiation private limited 1,120 equity shares(March 31, 2024: 1,120) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	0 (0)	0 (0)
xiv. M/s.Andhra baryte corporation private limited 8,52,500 equity shares(March 31, 2024: 8,52,500) of Rs.10/- each fully paid up Less: Provision made for diminution in the value of shares	85 (85)	85 (85)
xv. M/s Andhra Pradesh iron ore company limited 6,850 equity shares(March 31, 2024: 6,850) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xvi. M/s.Trimesh baryte private limited 4,50,000 equity shares(March 31, 2024: 4,50,000) of Rs. 10/- each fully paid up Less: Provision made for diminution in the value of shares	45 (45)	45 (45)
xvii. M/s. V.V. minerals private limited 1,100 equity shares(March 31, 2024: 1,100) of Rs.100/- each fully paid up Less: Provision made for diminution in the value of shares	1 (1)	1 (1)
xviii. Sanyuktha Granite Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130



Mr. Namchu Granges India Private limited 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
Mr. Shamohari stones AP Private limited. 13,00,000 equity shares (March 31, 2024: 13,00,000) of Rs.10/- each fully paid up	130	130
	500	500
Other comprehensive income		
Opening balance	(438)	1426
Other comprehensive income for the year/period	134	121
Add/(Less): Transferred from/(to) retained earnings	-	-
Closing balance	(470)	(438)
Reserve for bad and doubtful debts		
Opening balance	4,889	2,147
Add/(Less): Transferred from/ to profit and loss account	1360	2,741
Closing balance	4,529	4,888
General reserve		
Opening balance	17,216	17,216
Closing balance	17,216	17,216
Retained earnings		
Opening balance	2,78,119	3,04,529
Add/(Less): Profit for the year/period	52,183	1,06,331
	3,30,302	4,10,860
Less: Appropriations		
Reserve for bad and doubtful debts	(360)	2,741
Interim Dividends	-	1,10,000
Total appropriations	(360)	1,12,741
Closing balance	3,30,662	2,78,119
Total	3,52,437	3,00,216

#### Nature and purpose of reserves

##### General reserve

General reserve is created by the company by appropriating the balance of Retained Earnings. It is a free reserve which can be used for meeting future contingencies, creating working capital for business operations, strengthening the financial position of the company.

##### Reserve for bad and doubtful debts

Reserve for bad and doubtful debts is created by appropriating the balance of retained earnings. It is a free reserve which can be used to meet the contingencies related to debtors.

##### Retained earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, reserve for bad and doubtful debts, dividends or other distributions paid to shareholders.

17	Borrowings	As at	As at
		December 31, 2024	March 31, 2024
	Rupam Team Loan From Banks - Secured		
	From State Bank of India	47,845	55,974
	Total	47,845	55,974

Term Loan of Rs 918 Crores availed from State Bank of India, Industrial Finance Bank, Guntur with ROI of (MCLR+0.25%) 6 months MCLR for Development of Suluri Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly installment of Rs 9 crores in 9 years 10 months. The company has been regular in repayment of principal and interest on due dates.



18	Other financial liabilities (Non-current)	As at December 31, 2024	As at March 31, 2024
	Expenses payable against infrastructure development	1,483	1,483
	Deposits	173	173
	Others	4,035	4,475
	<b>Total</b>	<b>6,091</b>	<b>6,131</b>
19	Provisions (Non-current)	As at December 31, 2024	As at March 31, 2024
	Provision for employee benefits		
	Provision for gratuity	55	55
	Provision for others:		
	Provision for deferred commissioning cost *	10,035	9,388
	<b>Total</b>	<b>10,090</b>	<b>9,443</b>
* Refer note no.61			
20	Other non-current liabilities	As at December 31, 2024	As at March 31, 2024
	Others		
	Statutory liabilities	254	254
	<b>Total</b>	<b>254</b>	<b>254</b>
21	Borrowings (Current)	As at December 31, 2024	As at March 31, 2024
	Rupee Term Loan from Banks - Secured		
	From State Bank of India		
	Current maturities term loan	10,800	10,800
	Cash Credit		4,688
	<b>Total</b>	<b>10,800</b>	<b>15,488</b>
Term loan of Rs 918 Crores availed from State Bank of India, Industrial Finance Bank, Current with ROI of (MCLR+0.25%) 6 months MCLR for development of Bulhar Coal Block in Madhya Pradesh. This facility is secured by exclusive charge over total current and fixed assets of the company and exclusive charge on entire cash flows of the company. This loan is repayable through monthly instalment of Rs 9 crores in 5 years 10 months. The company has been regular in repayment of principal and interest on due dates.			
Cash Credit limits of Rs 100 crores with ROI of (MCLR+1.0%) 6 months MCLR availed in 2019-2023 year with exclusive charge by way of hypothecation of stocks and receivables and entire cash flows (Bank Interest & Future) of the company. As at the end of current reporting period, company has no outstanding balance under this cash credit facility.			
22	Particulars	As at December 31, 2024	As at March 31, 2024
	Lease Liability (Refer note no.60)	23	134
	<b>Total</b>	<b>23</b>	<b>134</b>
23	Trade payables (Current)	As at December 31, 2024	As at March 31, 2024
	Trade payables (Refer Note.62)		
	Dues of micro enterprises and small enterprises		
	Dues of creditors other than micro enterprises and small enterprises	8,528	19,437
	<b>Total</b>	<b>8,528</b>	<b>19,437</b>
Micro and small enterprises under the micro and small enterprises development Act, 2006 (MSMED Act), have been determined based on the information available with the company and the required disclosures are given below.			
	Particulars	As at December 31, 2024	As at March 31, 2024
	a) Principal amount and interest due thereon		
	b) Interest paid in terms of section 16 of MSMED Act		
	c) Interest due and payable for the period of delay excluding interest specified under MSMED Act		
	d) Interest accrued and remaining unpaid at the end of the year		
	e) Further interest due and payable in terms of section 23 of MSMED Act, 2006		
Dues to the micro and small enterprises have been determined to the extent such parties have been identified or the basis of information collected by the management.			





24	Other financial liabilities (Current)	As at December 31, 2024	As at March 31, 2024
	Salaries & other benefits payable	73	142
	Earnest money and security deposits from customers	2,092	4,648
	Other financial liabilities	19,310	18,222
	<b>Total</b>	<b>21,475</b>	<b>23,012</b>
25	Other current liabilities	As at December 31, 2024	As at March 31, 2024
	Advance from customers	37,931	64,076
	Statutory liabilities	17,145	13,853
	Other liabilities		
	<b>Total</b>	<b>55,176</b>	<b>77,929</b>
26	Current tax liabilities	As at December 31, 2024	As at March 31, 2024
	Provision for income tax	14,453	14,453
	<b>Total</b>	<b>14,453</b>	<b>14,453</b>



The Andhra Pradesh Mineral Development Corporation Limited

Notes to consolidated financial statements for the nine months period ended December 31, 2024

All amounts are in Rs Lakhs, unless otherwise stated

27	Revenue from operations	For the period ended December 31, 2024	For the year ended March 31, 2024
	Sale of products		
	Barytes	59,075	1,43,304
	Coal	1,58,870	2,09,244
	Survey stones	-	27,545
	Sale of services		
	Logis deration	2,677	3,966
	<b>Total</b>	<b>2,20,562</b>	<b>3,84,059</b>
28	Other Income	For the period ended December 31, 2024	For the year ended March 31, 2024
	Interest income		
	Bank deposits	4,167	11,256
	Loans	4	2
	Others	6	137
	Other non operating income		
	Rent receipts	5	8
	Forfeiture of security deposit	557	875
	Other receipts	398	214
	Sale of tender documents	3	33
	Interest on delay in payment of minimum consideration	-	0
	Liabilities no longer required written back	6	21
	Penalties on ROM	3,703	-
	Penalties on buyers	4,652	-
	Penalties on others	-	7
	Other miscellaneous Income	21	123
	<b>Total</b>	<b>13,524</b>	<b>12,725</b>
29	Changes in inventories of finished goods	For the period ended December 31, 2024	For the year ended March 31, 2024
	a) Opening stock of finished goods	20,603	18,397
		20,603	18,397
	b) Closing stock of finished goods	26,858	20,603
		26,858	20,603
	<b>Changes in inventories of finished goods</b>	<b>(6,255)</b>	<b>(2,207)</b>
30	Employee benefit expenses	For the period ended December 31, 2024	For the year ended March 31, 2024
	Salaries and wages	2,671	3,814
	Contribution to provident fund and other funds	601	989
	Staff welfare expenses	268	451
	<b>Total</b>	<b>3,540</b>	<b>5,254</b>
31	Finance costs	For the period ended December 31, 2024	For the year ended March 31, 2024
	Unwinding of discount on provision	660	804
	Interest on lease liability	6	8
	Interest	4,320	6,331
	Other Interests	472	535
	<b>Total</b>	<b>5,457</b>	<b>7,678</b>



32	<b>Depreciation and Amortization expense</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Depreciation of Property, Plant and Equipment	358	639
	Amortization of intangible assets	15,178	18,754
	Depreciation on right of use assets	107	140
	Impairment expenses	-	1,619
	<b>Total</b>	<b>15,642</b>	<b>21,151</b>
33	<b>Power and fuel</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Power and fuel	610	870
	<b>Total</b>	<b>610</b>	<b>870</b>
34	<b>Excavation and transport charges</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Excavation & transport charges for run of mine	4,573	6,120
	Excavation & transport charges for overburden	30,628	37,392
	Excavation of coal & OB removal	54,137	66,376
	<b>Total</b>	<b>89,338</b>	<b>1,09,889</b>
35	<b>Other expenses</b>	<b>For the period ended December 31, 2024</b>	<b>For the year ended March 31, 2024</b>
	Rents	17	11
	Repairs & maintenance	106	165
	Insurance	21	10
	Rates and taxes		
	Royalty	19,524	30,505
	DMF	2,823	5,109
	NMET	390	610
	Cess	285	624
	Reserve price	15,171	20,212
	MPGSVA Exp	5,418	7,218
	Forest tax coal exp	2,475	2,868
	Other rates and taxes	263	664
	<b>Administrative and Selling Expenses</b>		
	Operating expenses	218	766
	Purchase of survey stones	-	24,574
	Transport and wagon loading charges	317	1,144
	Selling expenses	205	346
	Prospecting & Mining Lease expenses	78	938
	Office & General expenses	1,560	1,926
	Payment to auditors (refer note no 35.1)	10	13
	Audit fee for other auditors	16	25
	Printing & stationery	40	70
	Corporate Social Responsibility Expenses ( Refer Note No.48)	1,083	3,545
	Remuneration to outsourced services	4,200	4,966
	Bad & doubtful debts	-	476
	Provision for doubtful advances	-	2,571
	Data processing charges	212	73
	Rehabilitation expenses	1,097	1,298
	Donations	500	-
	Miscellaneous expenditure	27	31
	<b>Total</b>	<b>56,008</b>	<b>1,10,757</b>



35.1	Payment to Auditors	For the period ended December 31, 2024	For the year ended March 31, 2024
	Statutory audit fee	10	13
	<b>Total</b>	<b>10</b>	<b>13</b>
36	Income Tax		
	The major components of income tax expense for the period ended December 31, 2024 and March 31, 2024 are:		
	Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
	Current Tax Expenses :		
	Current income tax charge	15,855	24,563
	<b>Total (A)</b>	<b>15,855</b>	<b>24,563</b>
	Deferred Tax Expenses:		
	In respect of current year origination and reversal of temporary differences	2,019	12,874
	<b>Total (B)</b>	<b>2,019</b>	<b>12,874</b>
	<b>Total (A+B)</b>	<b>17,875</b>	<b>37,438</b>
	Other Comprehensive Income		
	Items that will not be reclassified to PSL	For the period ended December 31, 2024	For the year ended March 31, 2024
	Remeasurement of defined benefit plan loss/gain		
	Gratuity	(10)	(75)
	Leave encashment	(21)	60
	<b>Total</b>	<b>(31)</b>	<b>(15)</b>
	The income tax expense for the year can be reconciled to the accounting profit as follows:		
	Particulars	For the period ended December 31, 2024	For the year ended March 31, 2024
	Profit/(loss) before tax as per statement of profit and loss	69,745	1,43,391
	Applicable tax rate as enacted by the relevant finance Act	25.168%	25.168%
	Computed tax expense	17,553	36,089
	Tax effect of:		
	i) Deferred tax related adjustment (including impact on deferred tax for the year due change in applicable tax rate)	2,019	12,874
	ii) Adjustment due to expenses not considered under IT Act		
	a) CSR expenditure	273	892
	b) Change in depreciation & Amortisation	(2,151.96)	(13,210)
	c) Provision for doubtful items	-	647
	d) Other items	181.00	146
	<b>Total income tax expense for the year</b>	<b>17,874</b>	<b>37,438</b>



**37. Contingent liabilities and commitments**

(To the extent not provided for)

All the amounts are in Rs. lakhs, unless otherwise stated

Sl.no	Particulars	As at 31.12.2024	As at 31.03.2024
<b>A</b>	<b>Claims against the company not acknowledged as debts consisting of :</b>		
i	Against the cases pending with money suits and arbitration.	10,702	10,702
ii	Demand raised by Income tax authorities which has been disputed and pending before appellate authorities.	50,418	50,418
iii	Capital commitment towards Chimakurthy black galaxy granite project- land towards consideration of land admeasuring to 266.86 acres for patta land at Chimakurthy belonging to animal husbandry department, Govt. of Andhra Pradesh, for which final value has not yet been determined, pending at appropriate authorities.	622	622
iv	Dispute towards reimbursement of Service Tax, Collected from Barytes Buyers of Mangampet during the year 2007-08 & 2008-09 towards payment to excavation contractor on submission of proof of payment of service tax.	600	600
v	<p>The Corporation is contributing MRTU Fund as per G.O.RT No.237, dt.29-03-1997 and as per the GO, the Corporation has to contribute 10% of sales turnover every year. Since in 1997-98, the income tax authorities disallowed this amount. The Government created a trust and the Corporation contributed Rs.1.00 crores from the financial year 2013-14 onwards as the tax benefit available to the Corporation is very meagre.</p> <p>The Government of Andhra Pradesh vide G.O.Ms.No.18, dt.13-01-2016 issued a G.O. rechristening of DMRTUF Trust as MERIT and permitted to collect 2% contribution on seigniorage fee from all the minor minerals lease holders in addition to the existing contribution of 10% on sales turnover. The Corporation requested the Government.</p>		





	<p>a. To exempt APMDC from payment of contribution for the years 1998-99 to 2001-02 and 2004-05</p> <p>b. To ratify the action taken viz., lump sum payments towards contribution of Rs.40,00,000/- for the years 2002-03 and 2003-04, 2005-06 to 2007-08, @Rs.50,00,000/- for the years 2008-09 and 2009-10, @ Rs.75,00,000/- from the years 2010-11 to 2012-13 and Rs 1,00,00,000/- from the year 2013-14 to 2015-16.</p> <p>c. It is mentioned in the G.O. at para 1 that "as per the G.O.237, the APMDC is to contribute 10% of sales turnover for exclusive rights of exploration in certain minerals.</p> <p>d. The Corporation requested to withdraw the G.O.Rt No.237,dt.29-03-1997 from the financial year 2015-16 onwards as it will burden to the Corporation and 10% in addition to the clause for payment of 2% contribution on royalty for all minerals as MERIT is common to all lease holders and for prospecting cum lease holders including the Corporation.</p> <p>e. And to permit to contribute only 2% on seigniorage fee as per the G.O.Ms.No.18, dt.13/1/2016. There is no communication received from the Government.</p>		
	<p>i) Aggregate till end of the previous year</p> <p>ii) For the year(net off payment)</p>	<p>98,993</p> <p>5,565</p>	<p>85,765</p> <p>13,228</p>
vi	<p>As per the Assessment order issued by the Sales tax / VAT authorities for the years 1998-99 to 2023-24, the total demand raised, deposits made and remaining un paid amount.</p> <p>{Details given below}</p>	<p>2,262</p>	<p>2,262</p>



B	Contingent liability on BG's: bank guarantees furnished to different authorities on behalf of the company.	80,274	80,274
C	Capital commitments in respect of unexecuted contracts.	-	-

\* Details of Assessment orders issued by the Sales tax / Vat authorities for the years 1998-1999 to 31-12-2024, the total demand raised, deposits made and remaining unpaid are as follows,

Assessment year	Particulars	Demand as per the assessment order	Deposit made	Unpaid amount
1998-99	Explosives	4	2	2
1999-00	Explosives	4	-	4
2000-01	Explosives	7	2	5
2002-03	Explosives	-	4	-
2004-05	Explosives	3	3	-
2005-06	Explosives	45	45	-
2006-07	Explosives	50	50	-
2007-08	Explosives	31	31	-
2007-08	Penalty	8	4	4
2008-09	Explosives & Consideration.	201	100	101
2008-09	Penalty	50	17	33
2008-09	Interest	6	-	6
2009-12	Consideration	669	436	233
2009-12	Penalty	167	84	84
<b>Total - A</b>		<b>1,247</b>	<b>780</b>	<b>472</b>
<b>Less: Share of TSMDC</b>		-	(311)	-
<b>Share of APMDC</b>		-	<b>469</b>	-
<b>Deposits made after 31.03.2016</b>				
2014-15		168	85	83
2014-15- Penalty		42	21	21
2020-21		532	66	466
2020-21		133	17	116
2021-22		374	94	280
2023-24		778	58	720
<b>Total - B</b>		<b>2,027</b>	<b>341</b>	<b>1,686</b>
<b>Grand total</b>		<b>3,274</b>	<b>810</b>	<b>2,262</b>



### 38. Classification of financial Instrument

Financial assets and financial liabilities are classified in accordance with the accounting policies.

As at 31st December, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,505	-	1,505
Loans	-	-	30,553	-	30,553
Trade receivables	-	-	79,037	-	79,037
Cash and Cash equivalents	-	-	41,530	-	41,530
Other bank balances	-	-	56,585	-	56,585
Other financial assets	-	76	11,698	-	11,774
<b>Total</b>	-	<b>76</b>	<b>2,20,908</b>	-	<b>2,20,984</b>
<b>Financial Liabilities:</b>					
Borrowings	-	-	-	58,645	58,645
Lease Liability	-	-	-	23	23
Trade payables	-	-	-	8,528	8,528
Other financial liabilities	-	-	-	27,566	27,566
<b>Total</b>	-	-	-	<b>94,763</b>	<b>94,763</b>

As at 31st March, 2024

Particulars	Carrying amount				Total
	Financial assets - FVTOCI	Financial assets - FVTPL	Financial assets- amortised cost	Financial Liabilities- amortised cost	
<b>Financial Assets:</b>					
Investments	-	-	1,413	-	1,413
Loans	-	-	30,459	-	30,459
Trade receivables	-	-	74,564	-	74,564
Cash and Cash equivalents	-	-	28,899	-	28,899
Other Bank balances	-	-	66,733	-	66,733
Other Financial assets	-	75	7,628	-	7,703



Total	75	2,09,696	2,09,771
<b>Financial Liabilities:</b>			
Borrowings	-	-	71,472
Lease Liability	-	-	134
Trade payables	-	-	19,437
Other financial liabilities	-	-	29,143
Total	-	-	1,20,186

### 39. Financial Risk Management

#### A. Management of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primary trade receivables) and from its investing activities, including deposits with banks and other financial instruments. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables is monitored on a continuous basis by the receivables team.

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of creditworthiness and accordingly individual credit limits are defined/ modified.

Expected credit loss for trade receivables under simplified approach is as under.

Particulars	Up to 31-12-2024	2023-24
Ageing	>12 Months	>12 Months
Gross carrying amount	3,417	3,417
Expected loss rate	100.00%	100.00%
Expected credit loss (loss allowance provision)	3,417	3,417
Carrying amount of trade receivables (net of impairment)	-	-

Particulars	Up to 31-12-2024	2023-24
Ageing	<12 Months	<12 Months
Gross carrying amount	79,037	74,564
Expected loss rate	0.00%	0.00%
Expected credit loss (loss allowance provision)	-	-
Carrying amount of trade receivables (net of impairment)	79,037	74,564



#### B. Management of market risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the management of these risks is explained below:

##### i. Commercial risk

###### a. Sale price risk

Particulars	Impact on profit	
	Up to 31-12-2024	2023-24
Selling price increase by 5%		
Barytes & Coal	10,894	17,627
Survey Stones	.	1,377
Selling price decrease by 5%		
Barytes & Coal	(10,894)	(17,627)
Survey Stones	.	(1,377)

###### b. Excavation & Transport Charges risk

Particulars	Impact on profit			
	Up to 31-12-2024		2023-24	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
Name of the expense.				
Excavation & transport charges for run of mine	(229)	229	(306)	306
Excavation & transport charges for overburden	(1,531)	1,531	(1,870)	1,870
Excavation of Coal & OB Removal	(2,707)	2,707	(3,319)	3,319

#### 40. Management of liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they fall due. The Company is exposed to this risk from its operating activities and financial activities. The Company's approach to managing liability is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity requirements are maintained within the credit facilities established and are available to the Company to meet its obligations. The table now provides details regarding the contractual maturities of significant financial liabilities as of the reporting date.





As at 31st December 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	8,528	8,528	8,528	-
Non-current financial liabilities	53,936	53,936	-	53,936
Current financial liabilities	32,299	32,299	32,299	-
<b>Total</b>	<b>94,763</b>	<b>94,763</b>	<b>40,827</b>	<b>53,936</b>

As at 31st March 2024

Particulars	Contractual cash flows			
	Carrying Amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities:</b>				
Trade payables	19,437	19,437	19,437	-
Non-current financial liabilities	62,105	62,105	-	62,105
Current financial liabilities	38,644	38,644	38,644	-
<b>Total</b>	<b>120,186</b>	<b>120,186</b>	<b>58,081</b>	<b>62,105</b>

#### 41. Employee Benefits

##### A. Defined Contribution Plan

Particulars	As at 31-12-2024	As at 31-03-2024
Employers contribution to provident fund	139	173
Employers contribution to pension fund	53	78

##### B. Defined benefit plans

1. The following table set out the funded status of the gratuity plans (funded), leave encashment and the amounts recognized in the Company's financial statements as at 31<sup>st</sup> December, 2024 and 31<sup>st</sup> March 2024

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in present value of benefit obligations</b>				
Benefit obligations at the beginning	684	694	682	706
Service cost	15	17	23	27
Interest expenses	35	47	34	52
Curtailment (gains)/losses	-	-	-	-
Transfer of obligation (net)	-	-	-	-
<b>Benefits paid</b>	<b>(73)</b>	<b>(139)</b>	<b>(95)</b>	<b>(36)</b>



Remeasurements (gains)/losses	actuarial	6	65	20	(67)
<b>Benefit obligations at the end</b>		<b>666</b>	<b>684</b>	<b>663</b>	<b>682</b>

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
<b>Change in fair value of plan Assets</b>				
Fair value of plan assets at the beginning	619	503	845	822
Interest income	32	41	43	61
Employer contributions	36	224	9	6
Benefit payments from plan assets	(73)	(139)	(95)	(36)
Actuarial gain / (loss) on plan assets	(4)	(10)	(2)	(7)
<b>Benefit obligations at the end</b>	<b>610</b>	<b>619</b>	<b>801</b>	<b>845</b>

ii. Amount recognized in the Balance sheet

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
PV of obligations at the end of the year	666	684	663	682
Fair value of plan assets at the end of the year	610	619	801	845
Liability (+) / Asset (-) recognised in the balance sheet	56	65	(138)	(164)

iii. Amount recognized in the statement of Profit and Loss under employee benefit expenses

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Service cost	15	17	23	27
Interest expenses	3	6	(9)	(9)
<b>Net expense recognised</b>	<b>18</b>	<b>23</b>	<b>14</b>	<b>18</b>



iv. Amount for the year/period ended December 31, 2024 and March 31, 2024 recognized in the statement of other comprehensive income:

Particulars	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Actuarial (gain)/losses on obligations for the period	6	65	20	(67)
Actuarial (gain)/losses on plan assets for the period	4	10	1	7
<b>Net expense recognised</b>	<b>10</b>	<b>75</b>	<b>21</b>	<b>(60)</b>

Assumptions	Gratuity		Leave encashment	
	For the year/period ended		For the year/period ended	
	31-12-2024	31-03-2024	31-12-2024	31-03-2024
Rate of discounting	6.99%	7.21%	6.99%	7.21%
Rate of salary increase	7.00%	7.00%	7.00%	7.00%

v. Summary of demographic assumptions

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Mortality rate	100.00%	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%	0.00%
Withdrawal rate	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%	1.0% to 3.0%
Normal retirement age	60 Years	60 Years	60 Years	60 Years
Adj. average future service	13.85%	14.06%	-	-
Leave encashment rate	-	-	10.00%	10.00%
Leave availment rate	-	-	2.00%	2.00%

vi. Maturity profile of defined benefit obligations:

Particulars	Gratuity		Leave encashment	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Expected cash flow in year 1	85	104	146	153
Expected cash flow in year 2	72	65	117	122
Expected cash flow in year 3	80	70	104	101
Expected cash flow in year 4	91	76	105	91
Expected cash flow in year 5	34	88	56	94
Expected cash flow in year 6	148	32	95	49
Expected cash flow in year 7	72	147	50	84
Expected cash flow in year 8	8	66	24	44
Expected cash flow in year 9	83	8	60	21



Expected cash flow in year 10	41	85	22	54
Expected cash flow in year 11+	480	485	124	123

**vii. Significant estimates: Sensitivity analysis**

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below:

**Effect on gratuity valuation**

Particulars	Defined benefit obligation (Rs.in.Lakhs)		(% of change)	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	666	684	0.00%	0.00%
Salary escalation - up by 1%	683	702	2.58%	2.65%
Salary escalation - down by 1%	646	664	-2.98%	-2.91%
Withdrawal rates - up by 1%	672	691	0.92%	0.96%
Withdrawal rates - down by 1%	659	677	-1.03%	-1.07%
Discount rates - up by 1%	626	645	-5.96%	-5.73%
Discount rates - down by 1%	711	729	6.80%	6.52%
Mortality rates- up by 10%	667	684	0.05%	0.05%
Mortality rates- down by 10%	666	684	-0.05%	-0.05%

**viii. Effect on leave encashment valuation**

Particulars	Defined benefit obligation (Rs. in. Lakhs)		(% of change)	
	As at 31-12-2024	As at 31-03-2024	As at 31-12-2024	As at 31-03-2024
Under base scenario	663	682	0.00%	0.00%
Salary escalation - up by 1%	691	712	4.20%	4.40%
Salary escalation - down by 1%	637	654	-3.90%	-4.10%
Withdrawal rates - up by 1%	663	682	0.00%	0.00%
Withdrawal rates - down by 1%	663	682	0.00%	0.00%
Discount rates - up by 1%	640	658	-3.50%	-3.50%
Discount rates - down by 1%	688	707	3.80%	3.70%
Mortality rates- up by 10%	663	682	0.00%	0.00%
Mortality rates- down by 10%	663	682	0.00%	0.00%

**ix. Risk exposure**

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as company take on uncertain long-term obligations to make future benefit payments.





#### **k. Liability risks**

##### **a. Discount rate risk**

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.

##### **b. Future salary escalation and Inflation risk**

Since price Inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

#### **42. Earnings per share (EPS)**

Particulars	As at 31-12-2024	As at 31-03-2024
Profit after tax before exceptional items	52,183	106,331
Add: exceptional items	-	-
Profit after tax after exceptional items	52,183	106,331
Profit available for equity shareholders	52,183	106,331
Weighted number of equity shares outstanding	63,062	63,062
Nominal Value of equity share in Rs.	1,000	1,000
Basic and diluted earnings per share (In Rupees) – before exceptional item	82,749.37	168,613.73
Basic and diluted earnings per share (In Rupees) – after exceptional item	82,749.37	168,613.73

#### **43. Segment Information**

##### **i. Description of segment and principal activities**

The chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment, and accordingly, the Company has identified two reportable operating segments viz. mining and sand operations. Operating segments have been identified and reported in a manner consistent with the internal reporting provided to the CODM.

##### **ii. Segment revenue and expense**

Revenue and expenses have been identified to a segment on the basis of relationship to operating of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### **iii. Segment assets and liabilities**

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable.





**iv. Secondary segment reporting**

The Company does not have geographical distribution of revenue as the operations of the Company are carried out within the country and hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company

**v. Information about major customers**

Revenue from mining segment (which exceeds 10% of total segment revenue) amounting to Rs.1,19,528 Lakhs is derived from four customers (P.Y 2,36,138 Lakhs from four customers).

**vi. Information about product and services**

The company revenue from external customers for each product is same as that disclosed below under "segment revenue".

**a. Segment reporting for the period from 01-04-2024 to 31-12-2024**

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	2,20,561	-	-	2,20,561
<b>Total segment revenue</b>	<b>2,20,561</b>	<b>-</b>	<b>-</b>	<b>2,20,561</b>

\* Segment Revenue includes other income which is directly attributable to each segment.

Particulars	for the period from 01-04-2024 to 31-12-2024			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment Results</b>				
Profit/(Loss)	73,640	-	-	73,640
Unallocated other income	-	-	4,611	4,611
Unallocated expenses and finance cost	-	-	(8,506)	(8,506)
<b>Profit before exceptional items and tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,895)</b>	<b>69,745</b>
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	313	313
<b>Profit before tax</b>	<b>73,640</b>	<b>-</b>	<b>(3,582)</b>	<b>70,058</b>
Income tax - Current	-	-	(15,855)	(15,855)
Deferred tax	-	-	(2,019)	(2,019)
<b>Profit after tax</b>	<b>73,640</b>	<b>-</b>	<b>(21,456)</b>	<b>52,183</b>
<b>Other Information</b>				
Segment assets **	2,82,955	15,266	2,44,268	<b>5,42,489</b>
Segment liabilities **	1,52,179	3,656	33,587	<b>1,89,421</b>
Capital work in progress	632	-	8	<b>640</b>
Depreciation and amortisation	15,372	-	270	<b>15,642</b>



Non-cash expense other than depreciation and amortisation	-	-	660	660
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<sup>\*\*</sup> Segment assets and liabilities are measured in the same way as in the financial statements. They are allocated based on the operations of the segment.

**Note:** Segment assets and liabilities are subject to reconciliation

**b. Segment reporting for the Financial Year 2023-24**

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment revenue</b>				
External revenue *	3,56,515	-	27,545	3,84,059
<b>Total segment revenue</b>	<b>3,56,515</b>	<b>-</b>	<b>27,545</b>	<b>3,84,059</b>

\* Segment revenue includes other income which is directly attributable to each segment.

Particulars	For the year ended 2023-24			
	Mining projects	Sand operations	Unallocated	Total
<b>Segment results</b>				
Profit/(Loss)	1,72,093	-	-	1,72,093
Unallocated other income	-	-	12,607	12,607
Unallocated expenses and finance cost	-	-	(41,309)	(41,309)
<b>Profit before exceptional items and tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,702)</b>	<b>1,43,391</b>
Exceptional items	-	-	-	-
Share of Profit/(loss) of joint venture	-	-	378	378
<b>Profit before tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(28,324)</b>	<b>1,43,769</b>
Income tax - current	-	-	(24,563)	(24,563)
Deferred tax	-	-	(12,874)	(12,874)
<b>Profit after tax</b>	<b>1,72,093</b>	<b>-</b>	<b>(65,761)</b>	<b>1,06,331</b>
<b>Other Information</b>				
Segment Assets **	2,87,044	15,273	2,13,552	5,15,869
Segment Liabilities **	1,56,962	3,696	54,295	2,14,952
Capital work in progress	539	-	17	556
Depreciation and amortisation	19,305	-	1,847	21,152
Non-cash expense other than depreciation and amortisation	-	-	3,851	3,851



**44. Related party transactions****A. List of related parties****(% of holding)**

<b>Name of the related party</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
<b>Subsidiaries</b>		
Ongole iron ore mining company private limited	51.00%	51.00%
Andhra phosphate private limited	50.00%	50.00%
APMDC - SCCL Suliya coal company limited	51.00%	51.00%
Nuagaon coal company limited	50.00%	50.00%
<b>Joint ventures</b>		
Andhra baryte corporation private limited	11.00%	11.00%
Andhra Pradesh iron ore company limited	11.00%	11.00%
Gimpex AP barytes beneficiation private limited	11.00%	11.00%
Trimex baryte private limited	11.00%	11.00%
Andhra Pradesh granite (Midwest) private limited	11.00%	11.00%
Pallavared granite private limited	11.00%	11.00%
V.V minerals private limited	12.36%	12.36%
Alliance Andhra Pradesh black granites private limited	11.00%	11.00%
<b>Associates:</b>		
Aswani mineral development private limited	26.00%	26.00%
Arham minerals exports private limited	26.00%	26.00%
Isra minerals exports private limited	26.00%	26.00%
Margasree granites private limited	26.00%	26.00%
Ongole minerals exports private limited	26.00%	26.00%
RLP granites private limited	26.00%	26.00%
SRAP minerals private limited	26.00%	26.00%
AP coastal sand & metals private limited	26.00%	26.00%
Andhra Pradesh tribal mining private limited	26.00%	26.00%
Samyuktha Granite private limited	26.00%	26.00%
Naandhi Granites India Private limited	26.00%	26.00%
Shambhavi Stones AP Private Limited	26.00%	26.00%

**Key Management Personal:**

<b>Name of the related party</b>	<b>Relation</b>
Sri VG. Venkata Reddy {01-04-24 to 07-06-24}	Vice Chairman & Managing Director
Dr. N. Yuvaraj {07-06-24 to 24-06-2024}	
Sri Pravin Kumar, IAS (24-06-2024 onwards)	



**Others**

Name of the related party	Relation
AP state Fibernet limited - APSFL	Fellow Government company / Authority
Machilipatnam urban development authority	
Rayalaseema steel corporation Limited	
AP high grade steel limited	
Andhra Pradesh State Financial Service Corporation Limited- APSFSL	
The Commissioner SS&LR Department	

**B. Related party transactions****i. Amounts of revenue from the related parties**

Name of the related party	Consideration
Andhra Pradesh granite (Midwest) private limited	2,934
Naandhi Granites India Private limited	164

**ii. Amount due (to)/from related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Andhra Pradesh granite (Midwest) private limited	234	751
Naandhi Granites India Private limited	229	175
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197
The Commissioner SS&LR Department	42,608	41,757

**iii. Provisions for doubtful debts due to related parties at the balance sheet date and accounts written off or written back of debts due from related Parties:**

Name of the related party	As at 31-12-2024	As at 31-03-2024
SRAP minerals private limited	45	45
Machilipatnam urban development authority	197	197

**iv. Balance during the year/period with related parties**

Investment in subsidiaries	As at 31-12-2024	As at 31-03-2024
Ongole iron ore mining company private limited	5	5
Andhra phosphate private limited	11	11
APMDC- SCCL Suliya coal company limited	1	1
Nuagaon coal company limited	60	60
<b>Total</b>	<b>77</b>	<b>77</b>
Investment derated/provision	77	77
Investment in joint ventures	As at 31-12-2024	As at 31-03-2024
Andhra baryte corporation private limited	85	85
Andhra Pradesh iron ore company limited	1	1





Gimpex AP barytes beneficiation private limited	0	0
Trimex barite private limited	45	45
Andhra Pradesh granite (Midwest) private limited	110	110
Pallavared granite private limited	110	110
V.V minerals private limited	1	1
Alliance Andhra Pradesh black granites private limited	110	110
<b>Total</b>	<b>462</b>	<b>462</b>
Investment derated/provision	352	352
<b>Investment in associates</b>	<b>As at 31-12-2024</b>	<b>As at 31-03-2024</b>
Aswani mineral development private limited	7	7
Arham minerals exports private limited	13	13
Isra minerals exports private limited	13	13
Margasree granites private limited	13	13
Ongole minerals exports private limited	33	33
RLP granites private limited	33	33
SRAP minerals private limited	33	33
AP coastal sand & metals private limited	1	1
Andhra Pradesh tribal mining private limited	3	3
Samyuktha Granite private limited	130	130
Naandhi Granites India Private limited	130	130
Shambhavi Stones AP Private Limited	130	130
<b>Total</b>	<b>539</b>	<b>409</b>
Investment derated/provision	149	149

**v. Remuneration & Others to key management personal**

Name of the key management personal	Nature of expense	As at 31-12-2024	As at 31-03-2024
Sri VG, Venkata Reddy	Medical Expenses	-	3
Sri Pravin Kumar, IAS	Salary	2	-

**vi. Loan/Deposit to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
AP state Fibernet limited	10,000	10,000
Machilipatnam urban development authority	20,000	20,000
AP State Financial Services Corporation Limited	55,500	55,500

**vii. Advance to related parties**

Name of the related party	As at 31-12-2024	As at 31-03-2024
Rayalaseema steel corporation limited *	327	327
AP High Grade Steel Limited*	1,200	1,200
The Commissioner SS&LR Department	10,833	10,833

\*Provision for the doubtful advance is created on the above advances given to the related parties.





#### 45. Note on sand operations

- a. The Government of Andhra Pradesh had appointed the corporation as an agent vide G.O.Ms.No.70 dated 04.09.2019 and directed the company to carry out the following initial activities.
  - i. Put in place an online system for registration of end consumers and transporters, receipt of orders directly from the end consumers, collection of payments and remittance to the treasury account of the State Government online and maintenance of stockyards, disposal of sand from the stockyards and real time tracking of Sand carrying vehicles.
  - ii. Allot the work of sand extraction, loading and transportation of sand to stockyard, ramp maintenance, loading of sand into dispatch vehicles at the stockyard through a competitive reverse tendering process
  - iii. Install weighbridges at the stockyards and CCTV cameras at Sand reaches and Stockyards to monitor sand operations and vehicular movement.
- b. Accordingly, under the overall authorization provided under the above GO, company had executed the sand policy and had allotted various work orders for excavation, loading, and ramp maintenance at various locations across the state and performed the necessary activities. Additionally, the company has appointed several transporters for internal transport and sand door delivery across the state for the period from 05-09-2019 to 14-05-2021.
- c. Further government vide its G.O.MS.No.78 dated 12-11-2020 upgrading the sand policy and issuance of standard operating procedures for transition of sand operations from the corporation to the new agency appointed by the Government, the corporation has completed the following activities.
  - i. Finalised the cut-off date for transition of sand operations to new agency
  - ii. Cancelled all pending orders and refunded the amount of cancelled bookings.
  - iii. Handed over sand reaches
  - iv. Transferred balance sand stocks in depots
  - v. Sold its assets / infrastructure created for the sand operations

Additionally, to arrive at the physical sand quantities available at the stock yards at reaches/pattalands/de-siltation points and sand depots joint inspections were conducted at all stock yards at reaches/pattalands/de siltation points and sand depots by representatives of corporation and along with the representatives of new agency. After completion of joint inspections, 14.33 lakhs MT's of sand was available at various stock yards at reaches/pattalands/de-siltation points and sand depots as on the cut-off date and same has been handed over to new agency during the previous year. Further, as per Government orders various assets were also transferred to the new agency as per the prescribed procedures laid down in the Government Order. Further, during the current financial year corporation has paid an amount of Rs.39.07 lakhs against pending payables recognised in previous years.



**46. The following subsidiaries/associates/joint venture companies are not consolidated for the following reasons:**

<b>Subsidiaries</b>	
<b>Name of the subsidiary</b>	<b>Reason</b>
Ongole iron ore mining company private limited	The company has not commenced the operations due to agreement cancelled by the GOAP and suffers from significant impairment in its ability to transfer the funds to the investor.
Andhra phosphate private limited	The company lease rights were expired and not renewed. Hence it is not carrying on any activity.
APMDC - SCCL Suliari coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
Nuagon coal company limited	The license has been cancelled by the honourable supreme court. Hence business has not been commenced.
<b>Associates</b>	
<b>Name of the associate</b>	<b>Reason</b>
Aswanl mineral development private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Arham minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Isra minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Margasree granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Ongole minerals exports private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
RLP granites private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
SRAP minerals private limited	The company has not commenced the operations and became in operative.
AP coastal sand & metals private limited	The lease rights and MOU have been cancelled by the GOAP. Hence the company became in



	operative
Andhra Pradesh tribal mining private limited	Due to continuous defaults the company has been strike of by the ROC and no financial records are available. Hence same has not been considered in consolidation.
Samyuktha Granite private limited	The financial statements of the associate for the interim period were not available at the time of preparing the consolidated financial statements. Consequently, the interim results have not been included. However, based on a materiality assessment, the associate's share of profit or loss is considered immaterial in relation to the overall financials of the parent company, and its exclusion is not expected to have a significant impact on the consolidated results.
Naandhi Granites India Private limited	The financial statements of the associate for the interim period were not available at the time of preparing the consolidated financial statements. Consequently, the interim results have not been included. However, based on a materiality assessment, the associate's share of profit or loss is considered immaterial in relation to the overall financials of the parent company, and its exclusion is not expected to have a significant impact on the consolidated results.
Shambhavi Stones AP Private Limited	The financial statements of the associate for the interim period were not available at the time of preparing the consolidated financial statements. Consequently, the interim results have not been included. However, based on a materiality assessment, the associate's share of profit or loss is considered immaterial in relation to the overall financials of the parent company, and its exclusion is not expected to have a significant impact on the consolidated results.

#### Joint Ventures

Name of the Joint venture	Reason
Andhra baryte corporation private limited	The company has not commenced the operations and non-operative
Andhra Pradesh iron ore company limited	The company has not commenced the operations and non-operative.
Gimpex AP barytes beneficiation private limited	The company has not commenced the operations and non-operative.
Trimex barite private limited	The company has not commenced the operations and non-operative.
V.V minerals private limited	The joint venture agreement was expired in the financial year 2013 and same has not been renewed



	by the government. In absence of joint venture agreement as on the date of preparation of CFS, same has not been considered for consolidation.
Alliance Andhra Pradesh black granites private limited	The joint venture agreement was cancelled by the GOAP. Hence the company became in operative.
Pallavared granite private limited	The company's share of losses in joint venture has exceeded its interest in the joint venture. Hence, we have discontinued recognising its share of further losses. The company's interest in the joint venture is the carrying amount of the investment determined using the equity method together with any long term interests that, in substance, form part of the company's net investment in the joint venture.

#### 47. Deferred tax asset /(liability)

Particulars	As at 31-12-2024	As at 31-03-2024
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for decommissioning asset	2,526	2,363
Provision for lease liability	0	0
Other provisions	3,438	3,441
<b>Total deferred tax asset</b>	<b>5,964</b>	<b>5,804</b>
<b>Tax effect of items constituting deferred tax liabilities</b>		
Property, plant and equipment	1,218	1,257
Investments	85	85
Mining Infrastructure Assets	12,642	8,607
Mining Infrastructure Assets - R&R - M'pet	6,702	8,519
<b>Total deferred tax liability</b>	<b>20,647</b>	<b>18,468</b>
<b>Deferred tax asset /(liability) - net</b>	<b>14,683</b>	<b>12,663</b>

#### 48. CSR Expenditure

- a. Gross amount required to be spent by the company during the year is Rs.1,331/- (Previous Year Rs.944).
- b. Amount spent during the year

Particulars	Period ended 31-12-2024	Year ended 31-03-2024
Construction/ acquisition of any assets	-	-
Purpose other than above	1,083	3,545

- c. Provision for unspent CSR : Nil
- d. Total of previous year shortfall : Nil
- e. Reason for shortfall : Not applicable





- f. Nature of CSR activities: The corporation undertakes impactful social projects which are in alignment with the areas specified under Schedule VII of the companies Act 2013 of the company takes up CSR projects largely in the projects related to Education, Health & Hygiene, Nutrition, Drinking water, Rural development, Skill Development and Income Generation, Promotion of Sports, Protection of Cultural and Heritage, Flood Relief and Natural Calamities, Environment & Others.
- g. Details of related party transaction: Contribution to a trust controlled by the company in relation to CSR expenditure amounting to Rs. 1,083 lakhs (PY Rs. 3,545 lakhs)
- h. Where a provision is made with respect to a liability incurred by entering a contractual obligation, the movement in the provision during the year/period should be shown separately: Nil.

#### 49. Treatment of demerger plan in the Books of accounts

- a. The AP Re-organization Act 2014 has bifurcated the combined Andhra Pradesh state into Andhra Pradesh & Telangana.
- b. Section 53 of the AP Re-organization Act 2014 provides the basis and procedure for distribution of Assets & Liabilities between both the states in respect of head office and location basis for other projects.
- c. In line with the provisions of the Act, the demerger plan for bifurcation of assets & liabilities of APMDC as on 01.06.2014 between APMDC and TSMDC was prepared.
- d. The then Principal Secretary (Ind & Comm.), and Chairman, APMDC (Combined State) addressed letters on 24.10.2014 to all the bank instructing them to freeze the accounts of APMDC as on 01.06.2014 and directed them not to permit any transactions.
- e. The demerger plan was discussed by the boards of APMDC and TSMDC. After detailed deliberations, consensus was arrived between APMDC and TSMDC and the formula for bifurcation was approved.
- f. The demerger plan was subsequently presented before the expert appraisal committee (EAC) constituted for this purpose. The EAC also approved the demerger plan and sent its recommendations to the respective Governments
- g. As per the demerger plan, the assets & liabilities of APMDC (head office) are to be split between APMDC and TSMDC in the following ratio.
  - APMDC -58.32%
  - TSMDC -41.68%
- h. APMDC has sent demerger plan to the Andhra Pradesh state government and the same has been approved by GOAP vide G.O.Ms.No 19 dated 29.01.2019.





- i. The approval of the Telangana State Government is still pending. VC&MD, APMDCL has addressed TSMDC vide Lr. No. APMDCL/F&A/Demerger/2019-20/1959 dated 06.11.2019 to take up the issue with the Telangana State Government and complete the pending formalities.

Distribution of the assets & liabilities of common pool as on 01.06.2014 are given below:

Equity & liabilities	Common pool	AP	TS
Ratio		58.32%	41.68%
<b>Shareholder's Funds</b>			
Share capital	631	368	263
Reserve & surplus	1,04,281	60,817	43,464
Deferred Govt. grants	-	-	-
<b>Current/ non-current liabilities</b>			
Deferred tax liability	24	14	9
Trade payables	23,380	13,635	9,745
Other current liabilities	6,668	3,889	2,779
Provisions	1,072	625	447
<b>Total</b>	<b>1,36,056</b>	<b>79,348</b>	<b>56,708</b>

Assets	Common Pool	AP	TS
<b>Non-Current Assets</b>			
Property, Plant and Equipment	344	201	143
Non-Current Investment	499	291	208
Loans & Advances	36,600	21,345	15,255
<b>Current Assets</b>			
Inventories	14	8	6
Trade receivables	166	97	69
Cash & bank balances	4	2	2
Fixed deposits – BG	13,728	8,006	5,722
Other fixed deposits	81,621	47,602	34,020
Other current assets	4,255	2,481	1,773
<b>Total</b>	<b>1,37,231</b>	<b>80,033</b>	<b>57,198</b>

#### Interim division of funds in current accounts, fixed deposits, sweep accounts

During the financial year 2023-24 a Memorandum of Understanding (MOU) has been signed by both the corporations i.e. APMDCL and TSMDC on 29<sup>th</sup> January, 2024 and as per terms of the MOU, both APMDCL and TSMDC have decided to de freeze current accounts, fixed deposits and sweep accounts and distribute funds in the population ratio.

Accordingly, they have arrived balances in current accounts, fixed deposits and sweep accounts totalling to Rs.1,393.43 crores and same has been distributed in the population



ratio i.e. APMDCL @58.32% and TSMDCL @ 41.68%. As per MOU Rs.842.65 crores and Rs.550.78 crores was distributed to APMDCL and TSMDCL respectively, vide Memo No.4354/M.I(1)/2018 dated 30-01-2024 issued by the Industries and commerce (Mines I) Department, Government of Telangana.

#### **50. Loan to Andhra Pradesh State Fiber Net limited (APSFL)**

Corporation has received a Government order (GO) from Energy, Infrastructure & Investment (Airports) Department vide G.O.RT.No.161 dated 22-11-2016 to give an interest free loan of Rs.100.00 crores to AP State Fibernet Limited (APSFL) which is repayable within 5 years towards the margin money for the proposed procurement of 10 Lakh sets of CPE boxes.

The board discussed the proposal in detail and accorded its approval to grant a inter corporate loan of Rs 100.00 crores to APSFL at an interest rate of 7.00% p.a. In compliance with the Board decision matter has been communicated to the secretary to Government (Mines), Industries & Commerce department and also on 08-02-2017 duly requesting to take further action on the matter.

In responses to the above correspondence, a letter reference Lr.No.Fin-21022/6/2017 -AS, II - Finance dated 28-03-2017 has been received and directed to remit the amount of Rs.100.00 crores transferable to the consolidated fund of the state and they have also confirmed that, this amount would be refunded in the next financial year and same has been refunded on 29-06-2017.

Further, a letter reference APSFL/APMDC Loan/226/2017 dated 04-07-2017 received from the CFO, APSFL requesting to sanction Rs.100.00 crores loan and also shared draft loan agreement to be entered. Accordingly, loan agreement between the corporation and APSFL has been executed and corporation has remitted the funds as per terms of the loan agreement entered.

Wherein the company has sanctioned an interest free loan to M/s Andhra Pradesh State Fibernet limited amounting to Rs.100.00 crores and disbursed an amount of Rs.60.00 crore during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19, However the difference between fair value of the instrument and transaction price on initial recognition of the instrument has not been recognised in the books as the loan agreement was silent on purpose of issuance of interest free loan.

Further, the disbursement schedule and repayment schedule has specified in the loan agreement dated 22<sup>nd</sup> July, 2017 has not been followed and no revised loan agreement was agreed upon with the party.



Out of the sanctioned amount of Rs.100.00 crores, an amount of Rs.60.00 crores have been released during the financial year 2017-18 and the balance amount of Rs.40.00 crores has been released in the financial year 2018-19 to be repayable in the period of 5 years as under-

(Rs.in.Crores)		
Sl.no	Year	Proposed repayment
1	2017-2018	Nil
2	2018-2019	20.00
3	2019-2020	25.00
4	2020-2021	25.00
5	2021-2022	30.00
<b>Total</b>		<b>100.00</b>

APSFIL has not repaid the due instalments as per terms of the agreement. However, continuous follow ups are being made for repayment and confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **51. Loan to Machilipatnam Urban Development Authority (MUDA)**

Company has received a Government order (GO) MS.No.127 dated 31-10-2018 to give loan of Rs.200.00 crores to Machilipatnam Urban Development Authority at an interest of 7.00% per annum and same shall be repaid within 45 days. Accordingly, Board of Directors in its 396<sup>th</sup> meeting held on 01-11-2018 approved the loan amount with interest of 8% and necessary loan agreement has been executed.

The company disbursed the loan amount of Rs.200.00 crores on 1<sup>st</sup> November 2018. As per terms of the loan agreement in case of failure to repay by MUDA along with interest on due dates, penal interest at a rate charged by national banks will be paid. The stipulated time of 45 days was completed on 15<sup>th</sup> December, 2018, but the repayment has not been made by the MUDA. However, continuous follow ups are being made for repayment. Confirmation of balance has been obtained and management is confident of recovery of this advance and considered this advance as good.

#### **52. Advance to Rayalaseema Steel Corporation limited**

Company has paid an amount of Rs.3.27 crores to Rayalaseema Steel Corporation limited (RSCL) to meet the essential expenses relating to day-to-day operations of the company on reimbursement basis pursuant to G.O.MS No.131, 132 and 133 with the approval of the board of directors of the company. However, RSCL intimated that, Government of Andhra Pradesh has not infused any equity into the company and the company met the running expenses from the proceeds of loan sanctioned by the APMDC



It is further informed that company doesn't have any assets or shareholder funds to repay the loan to APMDC and all transactions of the company were closed. In view of the uncertainty in realising the advanced amount, an amount of Rs.3.27 crores has been provided towards provision for doubtful advance in the financial year 2019-20.

### **53. Advance to AP High Grade Steel Limited**

As per the endorsement of special chief secretary, Industries & Commerce department, Company has paid Rs.3.00 crores (Rs.2.00 crores to AP High Grade Steels Limited and Rs.1.00 crore to district collector, YSR Kadapa district) towards expenses incurred for laying of foundation and inaugural function for the integrated steel plant till 31<sup>st</sup> March, 2020 and same has been ratified by the board of directors in their 404<sup>th</sup> meeting held on 17-07-2020.

Further, loan agreement has been executed between the company and AP High Grade Steels Limited as on 15<sup>th</sup> September, 2020. During the year 2020-21 an additional amount of Rs.9.00 crores has been paid totalling to Rs.12.00 crores till 31-03-2021. However, management has uncertainty in realising the amount advanced to AP High Grade Steel Limited and district collector, YSR Kadapa district, hence, an amount totalling to Rs.12.00 crores have been provided towards provision for doubtful advance till 31-03-2021.

### **54. Non valuation of inventory**

#### **a. C+D+W Grade of barytes**

Based on the past experience, sales statistics and considering slow moving nature of C+D+W Grade of Barytes, closing stock is recognised for a quantity of 5,00,000 MTs from financial year 2013-14 onwards, and due to the rise in demand in national and international markets for C+D+W grade of barytes, closing stock is recognised for a quantity of 8,00,000 MTs from existing 5,00,000 MTs from financial year 2018-19 onwards and due to further rise demands for C+D+W Grade of barytes and also considering the current orders in hand as on balance sheet date 2022-23, closing stock is considered for 12,00,000 MTs from existing 8,00,000 MT's. Further, considering current orders and market demand the current orders in hand closing stock is considered for 15,00,000 MTs from existing 12,00,000 MT's and the remaining stock (68.30 lakhs MTs) is considered without value.

#### **b. Inventory of Ball clay at Dwaraka Tirumala**

The company has awarded a contract for mining of ball clay at Dwaraka Tirumala on Raising-cum-sale basis to M/s. CNR Tiles & Sanitary (RCS contractor) on February 02, 2017 for a period of 5 years with a consideration of Rs.72 per MT of quantity sold by the contractor with a minimum consideration of 24,000 MT's every year.

As per the terms and conditions of the agreement with RCS contractor, the contractor shall lift the stock available within three months from the expiration of the contract, failing which, stock available shall be the sole property of the company. During the



financial year 2019-20, the company terminated the contract with the RCS contractor for violation of the mining rules, and the company has entered fresh agreement with M/s.Raghuram Hume Pipes Private Limited vide agreement dated 4<sup>th</sup> May, 2020 and The Closing stock as on 31.12.2024 is 1.55 lakh MT's (including 61 MTs of Grade - 1) which the company has not valued.

#### c. Inventory of survey stones

Production of survey stones at Ballikurava unit has been stopped during the year and O&M contract has not been renewed due to uncertainty on continuity of operations. Closing stock of survey stones of 9,458 are available as on 31.03.2024. However, in view of uncertainty in continuing future operations, management has decided to impair the plant and machinery. Further, there is no realisable value to the stock. Hence, no value has been considered for the closing stock of 9,458 stones as on 31-12-2024.

#### 55. Leasehold Lands

The company has been allotted following lands on lease hold basis and has rights of conducting mining operations as per the respective lease rights granted by the government authorities. Fair value of these mining rights has not been incorporated in the value of plant, property and equipment.

Sl.no	Project	Area in Hectors
1	Mangampet	443.67
2	Chimakurthy	33.60
3	Dwaraka Tirumala	13.29
4	Visakapatnam	46.31
5	Srikakulam	8.04
6	Suliyari	1,298.00
7	Brahmadiha	105.153
	<b>Total</b>	<b>1,948.063</b>

#### 56. Deposit with Andhra Pradesh State Financial Services Corporation Limited (APSF5CL)

Company has received a letter from APSF5CL with a request to deposit the excess and / or unutilised funds if any in the form ICD which shall carry a minimum interest of 5% payable monthly and same can be withdrawn by giving 21 days prior notice to the Vice Chairman and Managing Director (VC&MD) of APSF5CL. Accordingly, APMDCL has remitted an amount of Rs.305.00 crores till 31-03-2022 and 250.00 crores during the financial year 2022-23 totalling to Rs.555.00 crores till 31-12-2024 for which deposit certificates have been obtained from the APSF5CL. APMDCL has received interest regularly till 31-12-2024 and during the period APMDCL has not withdrawn any amounts deposited with the APSF5CL and confirmation of balance has been obtained.





## **57. Note on Survey Stones**

Government of Andhra Pradesh launched a comprehensive land survey project in the state. Accordingly issued a government memo No.INC01-MG/10/2022-M-III DATED 02.09.2022 and GO.Ms.No:33 dated 30.05.2023 entrusted APMDC with the responsibility of procurement and supply of survey stones to meet the requirement of SS&LR department for the prestigious programme (YSR Jagananna Shaswata Bhu Hakku mariyu Bhu Raksha Pathakam) and fixed prices for various activities i.e. Production and transportation of survey stones along with service charge of 7% of the value of survey stones supplied.

Accordingly, software application has been developed through an outside agency to track all activities connected with supply, transportation and delivery of survey stones to the designated places provided by the SS&LR department from time to time. Further necessary tax invoices have been raised on the SS&LR department for the survey stones supplied with mark up of 7% as per the GO and revenue has been recognised accordingly.

## **58.Termination of Coal Mine Development & production Agreement (CMDPA) of Madanpur South Coal Mine.**

Corporation has signed Coal Mine Development and Production Agreement dated 24-08-2016 with the Nominated authority with respect to Madanpur south coal block under the regime of CMSP Act, 2015. Corporation has approached Government of Chhattisgarh for implementation of project. However, State Government authorities have expressed that the State Government is contemplating an extension of the Lemru Elephant Corridor, which would encompass the mining lease area of the Madanpur South coal mine. Therefore, corporation might not obtain the clearance to operate the coal mine. Same has been brought to the notice of Nominated authority vide letter dated 15-10-2020

Further, Government of Chhattisgarh vide Gazette notification dated 22-10-2021 notified the areas falling within the Lemru elephant corridor and intimated the nominated authority through letter dated 20-12-2022 and affirmed that the Madanpur South Coal Block falls within the Lemru Elephant Corridor and therefore mining activities in the said area is prohibited and unlawful.

In view of this, corporation surrendered the coal mine and requested for return of the Performance Guarantee submitted to the Nominated authority with respect to Madanpur south coal block vide letter dated August 22, 2022 and accordingly, nominated authority has terminated the Coal Mine Development and Production Agreement (CMDPA) dated 24-08-2016 vide its letter reference F.No 103/9/2016-NA, dated February 06, 2024 and returned the Performance Bank Guarantee. Hence, amount capitalised previously on this project has been charged to revenue during the previous year. During the year doubtful provision has been made for an amount of Rs.2,394 lakhs paid to Nominated authority, Ministry of Coal towards upfront fee.

## **59. Note on sale of barytes**

Pursuant to Letter No. 2481753/A2/M.III/2024 dated 16th August 2024, the corporation has recognized revenue from the sale of barytes at the prevailing rates, which are based on the price fixed in December 2023 as per government orders. The previous rate fixed in December 2023 remained in effect until June 2024. Additionally, a 10% premium over the existing price has been collected as a security deposit, which will be adjusted upon the



finalization of new prices through the sales tender. Necessary adjustments to sales will be made accordingly. Therefore, the recognized revenues are subject to change to that extent.

#### 60. Leases (Ind AS 116)

The following is the carrying amounts of Company's right of use assets and the movement in lease liabilities during the period ended December 31, 2024:

(i) Refer No.3.1 for carrying amounts of Company's right of use assets and the movement during the period ended December 31, 2024.

(ii) Movement in Lease liability with Current/Non-Current break-up:

Particulars	As at 31-12-2024	As at 31-03-2024
Balance at the beginning of the year	134	113
Additions during the year/period	-	167
Deletions during the year/period	3	-
Finance cost accrued during the period	6	8
Payment of lease liabilities	114	155
<b>Balance at the closing of the year/period</b>	<b>23</b>	<b>134</b>

#### Amounts recognised in profit or loss

Particulars	As at 31-12-2024	As at 31-03-2024
Interest expenses	6	8
Depreciation charge for right-of-use assets	107	140

Contractual maturity analysis of undiscounted lease liabilities is given below:

Maturity Analysis of lease liabilities (undiscounted):

Particulars	As at 31-12-2024	As at 31-03-2024
Less than one year	23	134

#### 61. Note on provision for decommissioning and deposit under mine closure plan

##### A. Details of provision for Decommissioning

Name of the project	As at 31-03-2024	Provision made during the period	Provision reversed during the period	As at 31-12-2024
Mangampet-Barytes	672	47	-	719
Ballclay	31	2	-	33
Mangampet - Dolomite	583	40	-	623
Suliyari - Coal	8,102	559	-	8,661
<b>Total</b>	<b>9,388</b>	<b>648</b>	<b>-</b>	<b>10,036</b>



**B. Details of deposit with banks under mine closure plan**

Particulars	As at 31-12-2024	As at 31-03-2024
Opening balance	2,347	1,082
Add: Deposits Made during the year/period	198	1,200
Add: Interest Credited during the year/period (Net of TDS)	88	65
Less: Amount withdrawn during the year/period	-	-
Closing Balance	2,633	2,347

62. With respect to changes in Schedule III to the Companies Act, 2013 vide its notification G.S.R. 207(E) dated 24th March, 2021 the company shall provide ageing of its Trade receivables and trade Payables in respect of dues to Micro, small and medium enterprises and others. However, corporation ERP system is not customised in this regard to capture full details. Hence, the relative disclosures are not provided.

**63. Analytical Ratios**

The following are analytical ratios for the period ended 31<sup>st</sup> December, 2024.

Sl.no	Particulars	Numerators	Denominators	31-12-24	31-03-24
1	Current Ratio	Current Assets	Current Liabilities	2.49	1.93
2	Debt -Equity Ratio	Total Debt	Shareholders' funds	0.17	0.24
3	Debt service coverage ratio	Earnings available for debt service	Debt services	7.34	10.38
4	Return on equity	Profit after tax	Average shareholders fund	14.78%	35.34%
5	Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	9.29	19.7
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivables	2.87	6.86
7	Trade payable turnover ratio	Net credit purchases	Average trade Payables	6.39	7.09
8	Net Capital Turnover Ratio	Net Sales	Working capital	1.34	3.17
9	Net profit ratio	Net profit	Net sales	23.66%	27.69%
10	Return on capital employed	Earnings before interest and taxes	Capital employed	18.23%	44.29%
11	Dividend payout Ratio	Total Dividend	Net income	-	122.52%

\*The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12



months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods.

#### 64. Additional information

##### a. Particulars of consumption of stores & spares

(Rs.in. Lakhs)

Particulars	Figures as at the end of December 31, 2024		Figures as at the end of March 31, 2024	
	Value	Percentage	Value	Percentage
Stores & spares				
Imported	-	-	-	-
Indigenous	106	100.00	165	100.00
<b>Total</b>	<b>106</b>	<b>100.00</b>	<b>165</b>	<b>100.00</b>

##### b. Value of imports calculated on CIF basis and expenditure in foreign currency

(Rs.in. Lakhs)

Particulars	31-12-2024	31-03-2024
Components & spares	-	-
Capital goods	-	-
Expenditure in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 65. Non adoption of previous year financials at the general meeting by the Members

The financial statements of the company for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024 are considered but not adopted by the members of the company at the adjourned annual general meetings held 17<sup>th</sup> September, 2022, 16<sup>th</sup> November, 2022, 22<sup>nd</sup> August, 2023, 10<sup>th</sup> October 2023, 22<sup>nd</sup> November 2023, 20<sup>th</sup> January, 2025 and 05<sup>th</sup> February 2025 respectively, due to non-completion of supplementary audit by the Comptroller and Audit General of India (C&AG).

Pending completion of supplementary audit by the Comptroller and Audit General of India (C & AG), for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2024, the board of directors of the company in their meeting held on 21<sup>st</sup> February, 2025 approved the financial statements for the period ending 31<sup>st</sup> December, 2024.

In view of this, the reported amounts as on 31<sup>st</sup> December, 2024 may undergo change, based on the final comments of the Comptroller and Audit General of India (C & AG) if any for the year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2019, 31<sup>st</sup> March, 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2024. Necessary adjustments if any will be made in subsequent years.



## 66. Payment of dividend

During the previous year 2023-24, the company paid an interim dividend of Rs.400.00 crores related to financial year 2022-23 and Rs.900.00 crores related financial year 2023-24.

## 67. Additional Regulatory Disclosures.

- a. There no proceedings initiated or pending against the company for holding any benami property under Benami transaction (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- b. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The company has not been declared a wilful defaulter by any bank or financial institutions.
- d. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income tax Act, 1961, that has not been recorded in books of accounts.
- g. The company have been sanctioned borrowings/ facilities from banks on the basis of security of current assets. The quarterly stock statements filed by the company with the banks/ financial institutions are in agreement with the books of accounts
- h. The company uses an accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the accounting software.





- k. Corporation has not traded or invested in any Crypto currency or Virtual Currency during the period/year.

#### **68. Note on consolidation of Andhra Pradesh Granite (Midwest) Private Limited**

The financial statements of Andhra Pradesh Granite (Midwest) Private Limited, a joint venture entity, have not been subjected to an independent statutory audit for the reporting period. As a result, the financial information incorporated into the consolidated financial statements of the Group has been derived solely from financial statements that have been certified by the management of the said joint venture. These management-certified statements have been reviewed and relied upon in good faith for the purposes of consolidation. The Holding company management believes that the information provided is accurate, complete, and prepared in accordance with applicable accounting principles to the best of their knowledge and understanding.

#### **69. Note on Andhra Pradesh Sand Corporation Limited (APSCL)**

The state Government has issued a G.O incorporated Andhra Pradesh Sand Corporation Limited (APSCL) CIN: U14100AP2020SGC115366 on 17-08-2020 to take up the sand operations in the state of Andhra Pradesh with paid up capital of Rs.2.00 crores. However, corporation neither contributed to any capital nor advanced any money to the APSCL in any form. Since, there are no transactions between the organisation and Andhra Pradesh Sand Corporation Limited no investments are recorded in books.

#### **70. General**

- a. Some of the balances appearing under trade receivables, trade payables, advances, security deposits, unknown receipts, other payables and deposits with various Government Authorities are subject to confirmations, subsequent reconciliations and consequential adjustment required if any.
- b. Amounts incurred towards power, fuel charges and excavation and transportation charges for run of mine and overburden have been reported separately in respective note no's 33 and 34 for better presentation purposes
- c. Figures of the previous year have been regrouped/rearranged wherever considered necessary, so as to confirm to the classification of the current period.
- d. The financial Statements for the period of 9 months have been prepared for the purpose of compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, in connection with the proposed private placement of securities, approved by the Board in 422th Board Meeting dt. 18-Jan-2024
- e. The financial results for the current reporting period are presented for a period of 9 months (01-04-2024 to 31-12-2024), while the comparative figures are presented for full 12-months (01-04-2023 to 31-03-2024). Hence, the figures for the current reporting figures are not directly comparable to those of previous year due to the difference in the reporting periods. The current period includes adjustments for any events or transactions that occurred during the 9 months, and previous year's results reflects the full annual performance.



- f. All amounts have been reported in Rs. in lakhs unless otherwise stated/mentioned, except for the share data and earnings per share (EPS). Further, Rs. (0) mentioned in the financial statements represents value less than Rs.0.50 lakhs.

**For M N RAO & ASSOCIATES**

Chartered Accountants

Firm Regn No.005386S



**D.S.S. Srikanth**

Partner

Mem No.250883



UDIN: 25250883BMKPFU6808

Date :- 15-Apr-2025

**for and on behalf of the board of directors**



**Sri Pravin Kumar**  
Managing Director  
DIN: 07106418



**G. Rama Subbaiah**  
Director  
DIN: 10915409



**V.V.V. Phani Kumar**  
General Manager-F&A



**Place: Vijayawada**

**Date: February 21, 2025**

## ANNEXURE F

### 1. Details of outstanding secured loan facilities as on March 31, 2025:

Name of Lender	Type of facility	Amount Sanctioned	Principal Amount outstanding as on 31.03.2025	Repayment Date/ Schedule	Security
State Bank Of India	Term Loan	918.00	559.43	The term Loan (Principal) is to be repaid in 102 monthly instalments of each Rs.9.00 Cr commencing from 30.04.2022. Interest to be serviced separately as per monthly rests and as and when it is applied.	<ul style="list-style-type: none"> <li>• Pari - passu first charge on the entire cash flows of the Suliari Coal project along with Union Bank of India under MBA.</li> <li>• Pari passu first charge on the cash flows of the projects (Barytes) other than the proposed Suliari coal project.</li> </ul> Assignment of Project documents including Coal Allotment Agreement for "Suliari" Coal Block in favour of the Bank. Collateral: Nil Personal Guarantee: Nil Corporate Guarantee: Nil

### 2. Details of outstanding unsecured loan facilities:

Name of Lender	Type of facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date/ Schedule	Credit Rating, if applicable
N.A.					

### 3. Details of outstanding non-convertible securities:

Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
N.A.									

### 4. Details of commercial paper issuances:

Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount outstanding	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
N.A.										

### 5. List of top ten holders of non-convertible securities in terms of value (on a cumulative basis):

S. No.	Name of holders	Category of holder	Face value of holding	Holding as a % of total outstanding non-convertible securities of the issuer
N.A.				

### 6. List of top ten holders of commercial paper securities in terms of value (on a cumulative basis):

S. No.	Name of holders	Category of holder	Face value of holding	Holding as a % of total commercial paper outstanding of the issuer
N.A.				

7. Details of the bank fund based facilities/ rest of the borrowing (if any, including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures/ Preference Shares) from financial institutions or financial creditors:

Name of Party (in case of facility)/ Name of Instrument	Type of facility / Instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
SBI	Term Loan	918.00	559.43				1. First Charge on the entire cash flows of Suliyari Coal Project and Barytes Project 2. Assignment of Project documents including Coal Allotment Agreement for Suliyari Coal Block in favour of the Bank
SBI	CC	100.00	0.00				WC: Exclusive charge by way of hypothecation of Stocks and receivables (present and future) and entire cash flows of the company.
SBI	LC	100.00	0.00				
SBI	BG	1200.00	906.52				



6956/CL/MUM/24-25/DEB/620

Date: March 11, 2025

**The Andhra Pradesh Mineral Development Corporation Limited**

D.No.6-1-67/19/1 & 67/20 Flat No.302,  
Super Classic Apartments,  
Saifabad, Lakdikapool, Hyderabad,  
Hyderabad-500004, Telangana  
India

**Kind Attn: Mr. Pravin Kumar IAS (Vice Chairman & Managing Director)****Sub: Consent Letter to act as Debenture Trustee for senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds aggregating upto Rs. 10000.00 Crores**

Dear Sir,

This is with reference to our discussion regarding the appointment of Beacon Trusteeship Limited as Debenture Trustee for senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds aggregating to Rs. 10000.00 Crores

In this regard it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

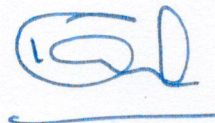
We are also agreeable for the inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully

**For Beacon Trusteeship Limited****Bhagyashree Korpade**Relationship Manager  
Mumbai, March 11, 2025**Authorised Signatory**

Accepted

**For The Andhra Pradesh Mineral Development Corporation Limited****Authorised Signatory****BEACON TRUSTEESHIP LTD.**

Regd &amp; Corporate Office : 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051

CIN: L74999MH2015PLC271288

Phone : 022 - 46060278 | Email : [contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in) | Website : [www.beacontrustee.co.in](http://www.beacontrustee.co.in)





## MUFG Intime India Private Limited

(Formerly Link Intime India Private Limited)

CIN: U67190MH1999PTC118368

C-101, Embassy 247, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083

Phone: +91 22 4918 6000

Fax: +91 22 4918 6060

Email: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**April 08, 2025**

**To**  
**The Andhra Pradesh Mineral Development Corporation Limited,**  
Door No. 294/1D, 100 Feet Tadigadapa to Enikepadu Road,  
Kanur, Vijayawada – 521 137, Andhra Pradesh, India.

**Dear Sir/Madam,**

**Sub.: Consent to act as Registrar to the Proposed issue of “Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures (“NCD” or “Debentures” or “Bonds”); supported by Unconditional & Irrevocable guarantee from the Government of Andhra Pradesh (“GoAP”)” of Face Value of Rs. 1 Lakh each for Cash at Par Aggregating to INR 9,000 Crores to be issued on Private Placement basis**

We refer to the subject issue and hereby accept our appointment as ‘Registrar’ for Electronic Connectivity Provider to issue of “Senior, Secured, Rated, Listed, Redeemable and Taxable Non-Convertible Debentures (“NCD” or “Debentures” or “Bonds”); supported by Unconditional & Irrevocable guarantee from the Government of Andhra Pradesh (“GoAP”)” of Face Value of Rs. 1 Lakh each for Cash At Par Aggregating to INR 9,000 Crores and give our consent to incorporate our name as “Registrar to the Issue” in the offer documents.

Our Permanent SEBI Registration No.: INR000004058.

Thanking You.

Yours faithfully,

For MUFG Intime India Private Limited

  
**Ganesh Jadhav**  
Senior Associate Vice President-Depository Operations

## Rating Letter - Intimation of Rating Action

Letter Issued on : May 06, 2025

Letter Expires on : February 13, 2026

Annual Fee valid till : February 13, 2026

 Scan this QR Code to  
 verify authenticity of this  
 rating


**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
 APMDC LTD, THE CHIEF PROJECT OFFICER,  
 MANGAMPET BARYTES PROJECT, MANGAMPET, RAILWAY KODUR, YSR,  
 Vijayawada 516106  
 ANDHRA PRADESH

Kind Attn.: Mr. PRAVIN KUMAR, VICE CHAIRMAN &amp; MANAGING DIRECTOR (Tel. No.7095447711)

Sir / Madam,

**Sub.: Rating(s) Assigned - Debt Instruments of THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the  
 aforementioned instrument are as under:

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	5000.00	Provisional   ACUITE AA   CE   Stable   Assigned	-
Total Outstanding Quantum (Rs. Cr)	5000.00	-	-

5W Jf reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which 5W Jf believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by 5W Jf as required under prevailing SEBI guidelines and 5W Jf B policies.

This letter will expire on or on the day when 5W Jf takes the next rating action, whichever is earlier. It may be noted that the rating(s) is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit <https://www.acuite.in/> OR scan the QR code given above to confirm the current outstanding rating(s).

5W Jf will re-issue this rating letter on subject to receipt of surveillance fee as applicable. If the rating(s) is reviewed before , 5W Jf will issue a new rating letter.

Please note that under extant SEBI regulations and as per the terms of the rating agreement, once a rating is accepted and outstanding, the issuer is required to promptly furnish the No Default Statement on the first working day of every month.

Sd/-  
 Chief Rating Officer

This is a system generated document. No signature is required.

5bbYI i fYg. ....5"8YHJ]g'cZH.Y F UHYX' bghfi a Ybh

Annexure A. Details of the rated instrument			
Instruments	Scale	Amt. (Rs. Cr)	Rating Assigned (Outlook)   Rating Action
Proposed Non Convertible Debentures	Long-term	5000.00	ACUITE Provisional AA (CE) (Stable)   Assigned
Total Quantum Rated		5000.00	-

#### DISCLAIMER

An 5W Jrf rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. 5W Jrf ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, 5W Jrf, in particular, makes no representation or k UffUbmz Yl dFYggYX cfJa dJYX k Jh fYgdYVWtc h Y UXYeI UMz UWW fUWtc fVta d'YHYbYgg cZ h Y JbZ fa Uhc b fY JYX i dcb"" 5W Jrf is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. 5W Jrf ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by 5W Jrf; 5W Jrf B rating scale and its definitions.

Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.



## Press Release

May 06, 2025

### THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Non Convertible Debentures (NCD)</b>	9000.00	Provisional   ACUITE AA   CE   Stable   Assigned	-
<b>Total Outstanding</b>	9000.00	-	-
<b>Total Withdrawn</b>	0.00	-	-

### Rating Rationale

Acuite has assigned its long-term rating of '**Provisional ACUITE AA (CE)**' (read as **provisional ACUITE double A (Credit Enhancement)**) on the Rs. 9000 Cr. proposed Non-Convertible Debentures of The Andhra Pradesh Mineral Development Corporation Limited (APMDCL). The Outlook is '**Stable**'.

The rating on the proposed Rs. 9000 Cr. Non-Convertible Debentures is provisional and conversion to final rating is subject to the following documents:

- Receipt of final signed term sheet
- Receipt of final signed debenture trust deed
- Confirmation from trustee regarding the compliance with all terms and conditions
- Legal opinion
- Setting up of Debt Service Reserve Account (DSRA)
- All the other relevant documents relating to NCDs issue besides the above mentioned documents.

### Rationale for rating assigned

The assigned rating considers APMDCL's complete ownership by the Government of Andhra Pradesh (GoAP) and its strong financial and operational linkages with the state government. Additionally, it considers the strategic importance of APMDCL as a nodal agency for mining in the state of Andhra Pradesh. The rating also factors in the state's improving economic performance, however it is constrained by its vulnerable fiscal position. Furthermore, the rating is supported by GoAP's unconditional, irrevocable, and legally enforceable guarantee, ensuring timely servicing of interest and principal payments for the NCD's. The structured payment mechanism established for the NCD issue also enhances the financial security of the transaction. Additionally, the rating factors in the APMDCL's adequate liquidity profile with expected cash flow sufficiency for debt servicing, further backed by the maintenance of a DSRA covering peak service requirements for two quarters.

Acuite has assigned the CE suffix to the rating based on credit enhancement support from GoAP's explicit guarantee for the NCD's and replenish the upfront DSRA fully covering peak service requirement of two quarters in case of shortfall/impairment and provision of Direct Debit Mechanism (DDM) from the consolidated fund of GoAP.

### About the Company

Incorporated in 1961, The Andhra Pradesh Mineral Development Corporation Limited is a Hyderabad based, wholly owned entity of the GoAP engaged in the exploration, mining, and marketing of various minerals both within and outside the State of Andhra Pradesh. Mr. Pravin Kumar is the current managing director of the company.

### Unsupported Rating

ACUITE A+| Stable (Post notch up in the view of the support from Government of Andhra Pradesh)

### Analytical Approach:

Acuite has considered the standalone business and financial risk profile of APMDCL and further notched up for the support of GoAP, structured payment mechanism and provision of direct debit mechanism from the consolidated funds of GoAP.

## Key Rating Driver

### Strengths

#### **Wholly owned by Government of Andhra Pradesh (GoAP), nodal agency for development of mining in the state**

Established on February 24, 1961, Andhra Pradesh Mineral Development Corporation Limited (APMDCL) formerly known as A.P. Mining Corporation Limited is a wholly owned entity of the Government of Andhra Pradesh (GoAP) and is under administrative control of Mines and Geology Department, which is the nodal department in the GoAP. APMDCL is engaged in exploration, exploitation, conservation and processing of mineral resources while promoting mineral based industries. The company has been one of the largest global producers and suppliers of barytes since 1975, currently contributing to ~90-95% of India's baryte production. In addition to barytes, APMDCL has diversified into coal mining having been allocated two coal blocks in Madhya Pradesh and Jharkhand with commercial production from the Suliyari coal block commencing in March 2022. Its mining portfolio also includes granite, ball clay and iron ore and the company is actively planning diversification into minor minerals through 436 designated minor mineral mines by FY2027 and into beach sand minerals by 2029.

#### **Strong growth in operating performance, albeit moderation in FY2025**

APMDCL's operating income increased to Rs. 3,841.82 Cr. in FY2024 from Rs. 2,102.39 Cr. in FY2023 reflecting an 83% year-on-year growth, primarily driven by increased coal mining activity. However, revenue is expected to moderate in FY2025, largely due to lower baryte sales during June-August 2024, although improvements are expected in the near term. The company reported revenue of Rs.2,205.83 Cr in 9MFY2025.

The profitability remains strong with EBITDA margin 41.55% in FY2024 as against 39.87% in FY2023 while the PAT margin stood at 27.62% in FY2024, compared to 28.44% in FY2023. Further, APMDCL's operating margin for 9MFY2025 stood at 35%.

Going ahead, APMDCL's operational performance is expected to strengthen, supported by further diversification of its revenue profile. This will be driven by commencement of commercial production at 436 designated minor mineral mines from FY2027 and exploration of beach sand minerals by FY2029, which are expected to contribute to sustained growth in the medium to long term.

#### **Structured payment mechanism**

Under this structure, APMDCL would ensure that on the first working day of every quarterly servicing cycle, an amount equivalent to 30% of the requisite servicing amount should get transferred from RCA to the BSA. The company should further transfer an amount equivalent to 35% of the quarterly servicing requirement both by T-60 and T-30 (i.e. 60 and 30 days prior to the servicing date) to BSA from the RCA so as to ensure full built up of servicing amount payable at least 30 days prior to the relevant quarterly servicing date (T-30). The Debenture Trustee (DT) should independently check whether the requisite amount of funds has been transferred to BSA on the next working days in all the above cases and in case of any shortfall in amounts transferred, must immediately enforce the Default Escrow arrangement on RCA, which shall remain in force till the entire built up of the particular cycle gets completed. In the event of DT finding any shortfall during the monitoring on T-29 days, it shall immediately send a written communication to the State Government to provide fund support for meeting the shortfall. A provision in the Guarantee Deed would specifically stipulate a pre-invocation responsibility of the State Government to bridge this shortfall on or before T-9 to prevent any DSRA impairment and consequential invocation of the guarantee. In case the shortfall in BSA still persists on T-5 day, such shortfall would be met by transferring requisite funds from DSRA to BSA. On the due date, the payout would be made to the Bond holders from BSA.

#### **DSRA shortfall guarantee from GoAP and support from DDM**

In the event of any shortfall in DSRA due to impairment on account of transfer of funds to BSA or for any other reason, the DT would send DSRA shortfall notice to GoAP on the next day (T+1) stating that if the amount is not fully replenished within the next 30 days, the guarantee would be invoked to the extent of such shortfall along with simultaneous triggering of defined recourse mechanism – Direct Debit Mechanism from the consolidated funds of GoAP (i.e. DDM) in the post invocation scenario.

The Debenture Trustee should also ensure that the Default Escrow Mechanism on RCA remains in force till all the irregularities including requisite DSRA replenishment get completely remedied.

If DSRA is not fully restored at the expiry of aforesaid 30 days, the Debenture Trustee would invoke the guarantee to the extent of such shortfall on the next working day (T+31) through issue of Guarantee Invocation Notice, along with simultaneous triggering of DDM in the post invocation scenario.

### Weaknesses

#### **Vulnerable fiscal profile of Andhra Pradesh amid improved economic performance**

The current state of Andhra Pradesh was created in 2014-15 following the bifurcation of the original state into the former and Telangana. The reorganisation led to the conversion of the state into an economy where the share of agriculture was significant and higher than national average. As per Andhra Pradesh State budget, the revenue receipts are estimated at Rs. 2,18,002 Cr. for FY2025-26 (Budgeted Estimates) an increase of 24% as against Rs. 1,76,056 Cr. for FY2024-25 (Revised). The revenue deficit is estimated at Rs. 33,186 Cr. for FY2025-26 (Budgeted Estimates) which is 1.8% of the Gross State Domestic Product (GSDP) as against 3% of GSDP for FY2024-25. Further, the fiscal deficit is estimated at Rs.79,927 Cr. (4.4%) for FY2025-26 (Budgeted Estimates) against Rs.73,362 Cr. (4.6%) for FY2024-25 (Revised Estimates). The fiscal deficit in FY2024-25 (4.6%) is higher than the budget estimate of 4.2% of GSDP which is driven by a shortfall in receipts as compared to the budget target (12% lower).

However, on the economic front, state of Andhra Pradesh recorded the second highest economic growth rate in India at 8.21% for FY2024-25. Further, the GSDP of Andhra Pradesh for 2025-26 (at current prices) is projected increase



by 14% over the revised estimates of 2024-25 (Rs.16,06,109 Cr.).

Going forward, the ability of AP to improve its fiscal profile while continue facilitating higher GSDP growth will be a key determinant of GoAP's credit profile. Any adverse changes in the fiscal indicators of GoAP due to factors such as prolonged slowdown in industrial activities or socio-economic challenges faced by AP can have a significant impact on APMDCL and thus will remain as a key monitoring factor.

#### **Susceptibility to risks related to regulations in the mining industry**

Operational and regulatory risks in the mining industry have risen sharply in recent years. Regulatory measures, aimed primarily at curbing illegal mining, have included actions such as withholding permits and imposing bans on mining and exports. APMDCL is exposed to execution challenges arising from regulatory hurdles, potential law and order issues in mining regions and shifts in government policies all of which could adversely affect its revenue.

#### **Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)**

##### **Government guarantee for DSRA replenishment**

The Government of Andhra Pradesh (GoAP) has provided a guarantee to cover any shortfall in the DSRA within the specified timeline. The Debenture Trustee would check the adequacy of funds available in the DSRA on the first day of every quarterly servicing cycle. In the event of any shortfall in DSRA due to impairment on account of transfer of funds to BSA or for any other reason, the DT would send DSRA shortfall notice to GoAP on the next day stating that if the amount is not fully replenished within the next 30 days, the guarantee would be invoked to the extent of such shortfall along with simultaneous triggering of Defined Recourse Mechanism (Direct Debit Mechanism) in the post invocation scenario.

#### **Stress case Scenario**

Acuite has stressed the projected cash flows against maturing repayment obligations and found that even in a stressed scenario, APMDCL would be able to timely meet its scheduled repayment obligations.

Further, Acuite believes that, given the adequacy of the structure and unconditional, irrevocable and legally enforceable guarantee provided by Government of Andhra Pradesh (GoAP) including direct debit mechanism (DDM), APMDCL will be able to service its debt on time, even in a stress scenario.

#### **Rating Sensitivity**

- Credit Profile of GoAP.
- Adherence to the stipulated transaction structure.

#### **All Covenants**

1. Unconditional and Irrevocable Guarantee from Government of Andhra Pradesh for timely servicing of Interest and Principal in respect of Bonds.
2. Maintenance of Debt Service Reserve Amount (DSRA) to the extent of fully covering the peak servicing requirements for 2 quarters as a liquidity support.
3. Entire revenue of the Issuer from all activities to be collected in a single account – Revenue Collection Account.
4. Stipulation for invocation of Government Guarantee for impairment of DSRA if not remedied within 30 days of stipulated timelines and ensuring Default Escrow Mechanism on the Revenue Collection Account remaining active till DSRA replenishment gets completed.
5. Stipulation for invocation of Government Guarantee in case of an Event of Default, if settlement of entire liabilities not effected within stipulated timelines and activation of the Default Escrow Mechanism on the Revenue Collection Account in the post invocation scenario.
6. Maintenance of security value at all times shall be sufficient to ensure at least 1.0 times coverage of the outstanding liabilities.
7. The Issuer shall give the following undertakings:
  - maintenance of corporate existence.
  - compliance with applicable laws.
  - no change of business other than as may be permitted under the terms of the Debenture Trust Deed.
  - creation of security and maintenance of security cover as per applicable law
  - compliance with information covenants including submission of financial results and providing compliance certificate as agreed under the Debenture Trust Deed
  - intimation to the Debenture Trustee prior to undertaking or entering into any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer
  - such other information regarding the financial condition, business and operations of the Company's the Debenture Trustee may reasonably request

#### **Liquidity Position Adequate**

The liquidity position is adequate with expected sufficient cash flows against its projected maturing repayment obligations. The average DSCR is expected to remain at ~1.78 times during the tenure of the NCDs. The cash and bank balance stood at Rs. 288.99 Cr. as on 31st March 2024 and Rs. 415.30 as on 31<sup>st</sup> December 2024. Further, the liquidity is supported by provision of upfront DSRA creation, GoAP support in the form of replenishment of DSRA balance in case of impairment or any shortfall, unconditional irrevocable and legally enforceable guarantee and provision of direct debit mechanism.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	3841.82	2102.39
PAT	Rs. Cr.	1061.19	597.82
PAT Margin	(%)	27.62	28.44
Total Debt/Tangible Net Worth	Times	0.24	0.19
PBDIT/Interest	Times	22.45	10.96

## Key Financials- 9 Months (Standalone-Actuals)

Particulars	Unit	9MFY2025 (Actuals)
Operating Income	Rs. Cr.	2205.83
PAT	Rs. Cr.	520.91
PAT Margin	(%)	23.61
Total Debt/ Tangible Net Worth	Times	0.17
PBDIT/Interest	Times	16.69

## Status of Non-cooperation with previous CRA (If Applicable)

None

## Supplementary disclosures for Provisional Ratings

### Risks associated with the provisional nature of the credit rating

In case there are material changes in the terms of the transaction after the initial assignment of the provisional rating and post the completion of the issuance (corresponding to the part that has been issued). Acuite will withdraw the existing provisional rating and concurrently, assign a fresh final rating in the same press release, basis the revised terms of the transaction.

### Rating that would have been assigned in absence of the pending steps/ documentation

ACUITE A+/ Stable

### Timeline for conversion to Final Rating for a debt instrument proposed to be issued

The provisional rating shall be converted into a final rating within 90 days from the date of issuance of the proposed debt instrument. Under no circumstance shall the provisional rating continue upon the expiry of 180 days from the date of issuance of the proposed debt instrument.

### Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

### Any Other Information

The statutory auditors have issued qualified opinion for FY2023 and FY2024. The qualification comments include a significant amount of long-standing unsecured trade receivables, high level of contingent liabilities and loans extended to other GoAP entities, among other matters. Further, the management has provided clarifications to the auditor on these matters and has also submitted a detailed response to Acuite.

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Explicit Credit Enhancements: <https://www.acuite.in/view-rating-criteria-49.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Public Finance - State Government Ratings: <https://www.acuite.in/view-rating-criteria-26.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History :

Not applicable

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5000.00	Simple	Provisional   ACUITE AA   CE   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4000.00	Simple	Provisional   ACUITE AA   CE   Stable   Assigned

**\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt Support)**

Sr. No.	Company Name
1	The Andhra Pradesh Mineral Development Corporation Limited
2	Government of Andhra Pradesh

## Contacts

Mohit Jain Senior Vice President - Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Sayali Parab Analyst - Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.



To,  
Managing Director  
The Andhra Pradesh Mineral Development Corporation Ltd.  
294/1-D, 100 Ft Kanur to Nidamanur Road,  
Vijayawada, Krishna District,  
Andhra Pradesh-521137

April 16, 2025

*Dear Sir/Madam,*

**Re: Rating Letter for NCD of The Andhra Pradesh Mineral Development Corporation Ltd.**

India Ratings and Research (Ind-Ra) has rated The Andhra Pradesh Mineral Development Corporation Ltd's (APMDC) proposed non-convertible debentures (NCDs) as follows:

Instrument Type	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures <sup>\$^</sup>	INR90,000	Provisional IND AA(CE)/Stable	Assigned

<sup>\$</sup>Credit ratings with (CE) suffix indicates that the instruments are supported by an external explicit credit enhancement.

<sup>^</sup>The rating on the proposed NCDs is provisional and contingent upon the execution of certain documents and/ occurrence of certain steps.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website

of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Dr Devendra Pant**  
Senior Director

## India Ratings Assigns The Andhra Pradesh Mineral Development Corporation’s Proposed NCDs ‘Provisional IND AA(CE)’/Stable

Apr 16, 2025 | Industrial Minerals

India Ratings and Research (Ind-Ra) has rated The Andhra Pradesh Mineral Development Corporation Ltd's (APMDC) proposed non-convertible debentures (NCDs) as follows:

### Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures\$^	-	-	-	INR90,000	Provisional IND AA(CE)/Stable	Assigned

\$Credit ratings with (CE) suffix indicates that the instruments are supported by an external explicit credit enhancement. Please refer to section DISCLOSURES FOR CE RATING for additional details as per the Securities and Exchange Board of India’s (SEBI) Master Circular dated 6 July 2023.

^The rating on the proposed NCDs is provisional and contingent upon the execution of certain documents and/ occurrence of certain steps. Please refer to section DISCLOSURES FOR PROVISIONAL RATING for additional details as per SEBI Master Circular.

### Analytical Approach

Ind-Ra has taken a standalone view of APMDC while assigning the rating, while factoring in support from the credit profile of the government of Andhra Pradesh(GOAP), which has extended an unconditional and irrevocable guarantee for the debt issuance. The rating is notched up on the basis of the strength of the structured payment mechanism, the creation of a debt service reserve account (DSRA) equivalent to peak two quarter of debt servicing, the likely adequate debt service coverage ratio (DSCR) and the provision of direct debit mechanism from the consolidated fund of Andhra Pradesh.

### Detailed Rationale of the Rating Action

Ind-Ra takes comfort from the irrevocable, unconditional and continuing pre-default guarantee agreement executed by the GoAP, which will remain in force and effect until the entire NCDs are fully redeemed. The guarantee is also available to replenish the DSRA, if it is utilised to meet its debt payment obligations. Based on the pre-default guarantee and enforceability of the guarantee, Ind-Ra has assigned a ‘CE’ suffix to the NCD rating and the base rating of the transaction is linked to the credit profile of GoAP.

Ind-Ra has notched up the NCD rating based on the legal and financial strengths of the transaction structure, which will be monitored by a debenture trustee and credit enhancers. The transaction rating benefits from the presence of peak two-quarter of DSRA, the structured payment mechanism under which the entire revenue of APMDC would be deposited into the revenue collection account which will be used for building up of balance in bond service account and direct debit mechanism from the consolidated fund of the state.

# List of Key Rating Drivers

## Strengths

- Supportive transaction structural features
- Structured payment mechanism
- DSRA shortfall guarantee from GoAP
- GoAP ownership and control of APMDC
- Improvement in state's economic performance
- Diversified revenue profile

## Weaknesses

- State's moderate fiscal performance
- Regulatory risk

## Detailed Description of Key Rating Drivers

**Supportive Transaction Structural Features:** Ind-Ra believes the structural features of the transaction provide sufficient comfort on debt servicing. The proposed NCDs will be secured by i) an exclusive charge over identified minor minerals being acquired by APMDC and the mining rights over such mines; ii) an exclusive charge on the revenue collection account, of which the transfer of funds, as per defined periodic intervals, to the bond servicing account (BSA) is required to be made as mentioned in the structured payment mechanism; iii) an exclusive charge on APMDC's bond servicing escrow account in favour of the debenture trustee (DT); iv) an exclusive charge on the DSRA and the funds lying therein in favour of the DT; and v) an unconditional and irrevocable guarantee from the GoAP with provisions for direct debit mechanism from the consolidated fund of the state maintained with the Reserve Bank of India (RBI) as the banker to the state government.

As per the guarantee and undertaking deed executed among the GoAP, DT and APMDC, the guarantor/GoAP has irrevocably and unconditionally authorised the DT to advise the RBI to debit such amount as mentioned in the guarantee invocation notice from the account(s) of the guarantor maintained with the RBI, subject to the availability of clear and sufficient balance in the account at the time of executing the request of DT or immediately on availability of funds in the account(s), and credit the same to the DSRA or the BSA, as required under the provisions of the guarantee deed and subject to the conditions stipulated in the irrevocable letter of authority furnished by the guarantor in favour of the RBI.

As per the structured payment mechanism detailed in the draft term sheet, APMDC's entire revenue accruing from whatsoever activity would be deposited only into the revenue collection account (RCA). The balance in RCA will be utilised as per a pre-defined waterfall mechanism, which would inter alia include transfer of funds to the BSA. APMDC will acquire the identified minor mineral mines, valuation of which will be determined based on the present value of the estimated mineral reserves available in the concerned mines. APMDC needs to maintain a minimum security/asset cover of 1.0x of the outstanding liability at any point of time.

The company is required to maintain an amount equivalent to two quarters of servicing of interest plus principal of the outstanding bonds (falling due at the end of fifth and sixth quarter from the deemed date of allotment) in the DSRA and the amount is to be deposited on a priority basis from the issue proceeds. Furthermore, as the servicing liability would progressively reduce after the sixth quarter, APMDC would be permitted to take out the excess amount from the DSRA progressively after obtaining the DT's approval, subject to no unresolved breach of any covenants.

The deed of guarantee also provides for the necessary fund infusion in the DSRA, in the event of its impairment, to the extent of a DSRA shortfall. If the shortfall in the DSRA is not replenished within the stipulated timelines, the DT would issue a guarantee invocation notice for invocation of guarantee, along with simultaneous triggering of defined recourse (direct debit mechanism) in the post invocation scenario.

**Structured Payment Mechanism:** Ind-Ra believes the structured payment mechanism, as detailed in draft term sheet, ensures availability of funds for timely debt servicing. Under the structure, APMDC would ensure that on the first working day of every quarterly servicing cycle, an amount equivalent to 30% of the requisite servicing amount would get transferred to the BSA from RCA. APMDC would further transfer an amount equivalent to 35% of the quarterly servicing

requirement both by T-60 and T-30 (i.e. 60 days and 30 days prior to the servicing days) from RCA to the BSA, so as to ensure a full build-up of servicing amount payable, at least 30 days prior to the relevant quarterly servicing date (T-30). The DT would independently monitor the adequacy of funds in the BSA on the next working day in all above cases. Any shortfall in the amount transferred shall enforce the default escrow arrangement of RCA, which shall remain in force till the entire built-up of that particular cycle has been completed. The DT would independently monitor the adequacy of funds in the BSA on T-29 day. In case of any shortfall in the built-up, it shall immediately send a written communication to the state government to provide fund support for meeting the shortfall.

In case the shortfall in BSA persists at T-5 days, such shortfall would be met by transferring the requisite funds from the DSRA to BSA to ensure the payment is made on the due date.

**DSRA Shortfall Guarantee from GoAP:** Ind-Ra believes the DSRA shortfall guarantee from the GoAP reduces the risk of delay in debt servicing. The GoAP has extended a guarantee to fund the DSRA shortfall within the specified timeline. Under the guarantee deed, on the next business day after the payment due date, if funds available in the DSRA are less than required for the immediate next two servicing dates, the DT will issue a shortfall notice to the GoAP on the next business day (T+1) to meet the shortfall within 30 calendar days from the date of issuance of the DSRA shortfall notice. Also, the DT shall ensure the default escrow mechanism on RCA remains in force till the DSRA replenishment is remedied. If the irregularity continues beyond the stipulated timeline, the DT shall invoke the government guarantee to the extent of the shortfall in the DSRA by issuing a guarantee invocation notice to the GoAP and simultaneously advise the RBI to debit such amount(s) as may be specified in the guarantee invocation notice from the account(s) of the GoAP maintained with the RBI. The government shall be required to pay the shortfall amount, forthwith, directly into the DSRA.

**GoAP Ownership and Control of APMDC:** Ind-Ra considers GoAP's control and oversight over APMDC as strongly supportive of its credit quality. APMDC is fully owned by the GoAP and is under the administrative control of Mines and Geology Department, which is its nodal department in the GoAP. The GoAP exercises a significant control over APMDC's policy design and strategy through its board of directors. All the directors are nominated by the GoAP from time to time. The statutory auditors of APMDC are appointed by the Comptroller and Auditor General of India.

APMDC has its own budget and its debt is not consolidated in GoAP's debt. Being a profitable entity, there are no regular equity infusions from the GoAP. However, the GoAP is providing non-financial support to APMDC in terms of allocating mining rights on nomination basis. The state government has extended a pre-default guarantee for the proposed NCDs. The rating factors in the ability and willingness of the state government to extend budgetary support to APMDC for its developmental activities, as and when required. Ind-Ra expects the GoAP to continue providing strategic support to APMDC.

**Improvement in State's Economic Performance:** Andhra Pradesh's (AP) economic structure is somewhat different from that of the national economy. In FY25, the state's share of the agricultural sector in the state economy was 29.6%, considerably higher than that of the national economy (14.4%). AP's gross state value-added (GSVA) grew at a higher CAGR of 5.7% during FY19-FY25 than the national economic growth (CAGR: 5.1%), considering Hyderabad, which is a centre of industrial activity, became a part of Telangana following the reorganisation of the erstwhile state of AP. The state's GSVA growth increased to 8.4% yoy in FY25 (FY24: 4.8% yoy), led by the robust growth in the agriculture and services sectors.

**Diversified Revenue Profile:** Ind-Ra expects APMDC's revenue profile to be diversified in medium-to-long term as it proposes to start commercial operations at 436 designated minor mineral mines from FY27. Furthermore, APMDC proposes to start exploration of beach sand minerals by FY29. Presently, APMDC is engaged in mining of Baryte in Mangampet, Andhra Pradesh, and coal in Suliari Madhya Pradesh. APMDC reported a total revenue of INR23.43 billion in 9MFY25 (FY24: INR39.72 billion; FY23: INR22.02 billion).

**State's Moderate Fiscal Performance:** As per the FY25 revised estimate (RE), the state's revenue deficit came in higher at INR483.1 billion (3% of gross state domestic product (GSDP)) than budget estimate (BE) of INR347.4 billion (2.1% of GSDP). This was primarily due to lower-than-budgeted revenue receipts of INR251.4 billion in FY25(RE). Despite the lower-than-budgeted growth in AP's revenue expenditure of 5.6% yoy (budgeted growth: 11.0%), a minimal growth of 1.3%



yoy in revenue receipts led to the higher revenue deficit in FY25(RE). The reduced capex compared with FY25(BE) and better-than-projected GSDP growth for FY25 could not compensate for the gap in revenue receipts versus FY25(BE), resulting in a higher-than-budgeted fiscal deficit of 4.6% in FY25(RE) (FY25(BE): 4.2% of GSDP).

For FY26, the state government has estimated a revenue deficit of 1.8% and a fiscal deficit of 4.4% of the GSDP. The debt/GSDP is projected to be at 35.5% for FY26 (FY25(RE): 35.2%).

**Regulatory Risk:** Ind-Ra views timely compliance and approval of statutory clearances such as environmental clearance, approved mining plan and consent to operate from Pollution Control Board as critical. Any non-compliance or delay in statutory clearances will affect APMDC's long-term sustainability and future cashflows.

## Liquidity

**Adequate:** APMDC's liquidity is supported by its accumulated cash and bank balances, and operating cash flows. The cash and bank balance stood at INR2.03 billion at FYE25 (Provisional), against INR2.89 billion in FY24. Ind-Ra expects the liquidity to remain supported by receipt of advance payments against the sale of minerals, operating revenue and strong EBITDA. The total debt servicing obligations on the outstanding bank loan and proposed NCDs based on the prevailing interest rate are estimated to be at INR9.66 billion for FY26 and INR19.23 billion for FY27. Ind-Ra expects APMDC to service this debt from a combination of EBITDA and government support. The liquidity is also supported by the DSRA.

## Rating Sensitivities

**Positive:** An improvement in the credit profile of the GoAP will be positive for the rating.

**Negative:** The following developments could, individually or collectively, lead to a negative rating action:

- deterioration in GoAP's credit profile,
- deterioration in APMDC's liquidity position resulting in continuous dipping into the DSRA,
- a non-maintenance of the minimum asset/security coverage ratio as per the terms of the NCDs on a sustained basis.

## Disclosures for CE Rating

### 1) UNSUPPORTED RATING

Ind-Ra has assigned an unsupported rating of 'IND A'/Stable to APMDC.

The unsupported rating is arrived at without factoring in the explicit CE. It helps in understanding the extent of the CE factored into the instrument rating.

## ANALYTICAL APPROACH

Ind-Ra continues to factor in the strong legal and operational linkages between APMDC and the GoAP.

## DETAILED RATIONALE OF THE RATING ACTION

Ind-Ra has classified APMDC as a dependent public sector entity under its Rating of Public Sector Entities criteria. The unsupported rating considers the legal status of the entity, entity's strategic importance and the significant control exercised by the GoAP over its policy objective.

## LIST OF KEY RATING DRIVERS

### Strengths

- GoAP ownership and control of APMDC
- Improvement in state's economic performance

- Diversified revenue profile

## Weaknesses

- State's moderate fiscal performance
- Regulatory risk

## Detailed Description of Key Rating Drivers

The detailed description of key rating drivers and liquidity profile for the unsupported rating are the same as that of the NCDs.

## Rating Sensitivities

**Positive:** An improvement in the credit profile of the GoAP will be positive for the ratings.

**Negative:** The following developments could, individually or collectively, lead to a negative rating action:

- a deterioration in GoAP's credit profile,
- deterioration in APMDC's liquidity position,
- weakening of linkages with the GoAP,
- weakening of standalone financial profile.

## 2) INSTRUMENT COVENANTS

Refer to Annexure I

## 3) ADEQUACY OF CE STRUCTURE:

**DSRA Shortfall Guarantee from GoAP:** The GoAP has extended a guarantee to fund the DSRA shortfall within the specified timeline. Under the guarantee deed, on the next business day after the payment due date, if funds available in the DSRA are less than required for the immediate next two servicing dates, the DT will issue a shortfall notice to the GoAP on the next business day (T+1) to meet the shortfall within 30 calendar days from the date of issuance of the DSRA shortfall notice. Also, DT shall ensure that the default escrow mechanism on the RCA remains in force till the DSRA replenishment is remedied. If the irregularity continues beyond the stipulated timeline, the DT shall invoke the government guarantee to the extent of the shortfall in the DSRA by issuing a guarantee invocation notice to the GoAP and simultaneously advise the RBI to debit, such amount(s) as may be specified in the guarantee invocation notice from the account(s) of the GoAP maintained with the RBI. The government shall be required to pay the shortfall amount, forthwith, directly into the DSRA.

**State Government Guarantee:** The guarantee is unconditional and irrevocable and is a continuing obligation. The guarantee will remain in force and effect until the NCDs are fully redeemed. Ind-Ra, in its analysis, has stressed the GoAP's credit profile by considering a sizeable portion of the guarantee to devolve. As per Ind-Ra's analysis, the guarantor, even in the stress scenario, is likely to meet all the guaranteed debt obligations.

## Disclosures for Provisional Rating

### 1) RATING THAT WOULD HAVE BEEN ASSIGNED IN ABSENCE OF THE PENDING STEPS/ DOCUMENTATION

Ind-Ra would have assigned 'IND A'/Stable in the absence of the pending steps/documentation.

### 2) PENDING STEPS/ DOCUMENTATION CONSIDERED WHILE ASSIGNING PROVISIONAL RATING AND RISKS ASSOCIATED WITH THE PROVISIONAL NATURE OF THE CREDIT RATING:

Sr.no.	Pending Critical Documentation while Assigning Provisional Rating*	Risks Associated with Provisional Nature of Credit Rating in the Absence of Completed Documentation or Change in Documentation

1	Final term sheet	In the absence of executed documents or the final executed documents deviating from the draft documents submitted at the time of provisional rating, the transaction structure would be weak.
2	Deed of hypothecation	
3	Debenture trust deed	
4	Accounts agreement	
5	Creation of peak DSRA	Non-creation of DSRA would increase the vulnerability to cashflow mismatches and the risk of timely debt servicing.
6	RBI acknowledged copy of direct debit mandate	In the absence of RBI acknowledgement of direct debit mandate, the transaction structure would be weak.

\*Additionally, any other relevant documents executed for the transaction should be provided to the agency.

### 3) VALIDITY PERIOD

The final rating, upon the receipt of executed documents consistent with the draft documents, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

## ESG Issues

**ESG Factors Minimally Relevant to Rating:** Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on APMDC, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please [click here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please [click here](#).

## About the Company

APMDC is a state-owned public sector entity incorporated on 24 February 1961 and registered under the Companies Act, 1956. It is a wholly owned undertaking of the GoAP. APMDC has an authorised share capital of INR100 million as on 31 March 2025. It is primarily engaged in the excavation of mineral resources, including exploration and mineral beneficiation, development of the surroundings and protection of the ecology system around the mines.

## Key Financial Indicators

APMDC			
Particulars	9MFY25 (Audited)	FY24 (Audited)	FY23 (Audited)
Total Income (INR million)	23,430.60	39,716.10	22,023.00
EBIDTA (INR million)	9,106.50	17,259.80	9,380.90
EBIDTA margin(%)	38.87	43.46	42.60
Net debt/EBIDTA (x)	0.19	0.25	0.21
Interest coverage ratio (x)	16.69	22.48	10.97
Source: APMDC, Ind-Ra			

Government of Andhra Pradesh		
Particulars (as % of GSDP)	FY26(BE)	FY25(RE)
Revenue balance	-1.8	-3.0
Fiscal balance	-4.4	-4.6
Total debt	35.5	35.2
Source: GoAP FY26 Budget, Ind-Ra		

## Status of Non-Cooperation with previous rating agency

Not applicable

## Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating
Proposed non-convertible debentures	Long-term	INR90,000	Provisional IND AA(CE)/Stable
Unsupported rating	Long-term	-	IND A/Stable

## Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Moderate

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity- indicators>.

## Annexure

### For Proposed NCDs

- a. Unconditional and irrevocable guarantee from the GoAP for the timely servicing of interest and principal in respect of bonds, including defined recourse in the post invocation scenario.
- b. Maintenance of the DSRA to the extent of fully covering the peak servicing requirements for two quarters as liquidity support.
- c. Stipulation for invocation of government guarantee for impairment of DSRA if not remedied within stipulated timelines and defined recourse in the post invocation scenario.
- d. Stipulation for invocation of government guarantee in case of a default, if settlement of entire liabilities not effected within stipulated timelines and defined recourse in the post invocation scenario.
- e. Maintenance of minimum asset/security cover of 1.0x.

## Contact

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For queries, please contact: [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

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**About India Ratings and Research:** India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit [www.indiaratings.co.in](http://www.indiaratings.co.in).

## **Solicitation Disclosures**

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in). The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

## **APPLICABLE CRITERIA AND POLICIES**

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### **Local and State Government Rating Criteria**

### **Evaluating Corporate Governance**

### **Rating of Public Sector Entities**

### **Policy on Provisional Ratings**

### **Policy for Credit Enhanced (CE) Ratings**

### **The Rating Process**

## **DISCLAIMER**

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## DUE DILIGENCE CERTIFICATE – ANNEXURE A

(Pursuant to Schedule IV of SEBI (Issue and Listing of Non-convertible securities) Regulation, 2021 and SEBI DT Master Circular SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024)

Ref No: BTL/DT/25-26/1997

Date: May 07, 2025

To,  
National Stock Exchange of India  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra(E),  
Mumbai-400051

**SUB.: ISSUE OF SENIOR, SECURED, RATED, LISTED, REDEEMABLE AND TAXABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH, WITH A BASE ISSUE SIZE OF INR 1999,98,00,000 ALONG WITH GREEN SHOE OPTION OF INR 6999,93,00,000 AGGREGATING UPTO INR 8999,91,00,000/- ON A PRIVATE PLACEMENT BASIS BY THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED.**

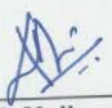
We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

WE CONFIRM THAT:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies)
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document/ placement memorandum and all disclosures made in the offer document/ placement memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
- e) The issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document/ placement memorandum.
- f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

For Beacon Trusteeship Limited

  
Kaustubh Kulkarni  
Director

Place: Mumbai



## BEACON TRUSTEESHIP LIMITED

Registered Office & Corporate Office : 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Phone : +91 95554 49955 Email : contact@beacontrustee.co.in

Website : www.beacontrustee.co.in CIN : L74999MH2015PLC271288

Mumbai | Bengaluru | Ahmedabad | Pune | Kolkata | Chandigarh | Shimla (HP) | Patna | Delhi | Jaipur | Chennai | GIFT IFSC | Bhopal |

Indore | Kochi | Nagpur | Bhubaneswar | Thiruvananthapuram | Lucknow | Hyderabad

BV0835



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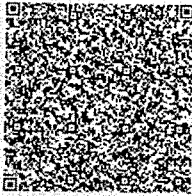
Government of Andhra Pradesh



IN-AP69293385584633X

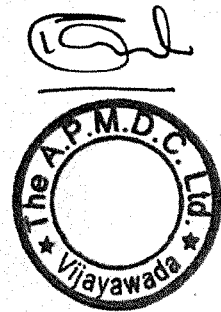
e-Stamp

Certificate No. : IN-AP69293385584633X  
 Certificate Issued Date : 25-Feb-2025 02:09 PM  
 Account Reference : NEWIMPACC (IV)/ ap18143803/ AP-NTR/ AP-GNL/apnsjyotu  
 DDO Code : 27002308001 O/o IG R  
 Unique Doc. Reference : SUBIN-APAP1814380325027301392817X  
 Purchased by : THE ANDHRA PRADESH MINERAL DEVELOPMENT CORP LTD  
 Description of Document : Article 6(C) Agreement In any other case  
 Property Description : BOND TRUSTEE AGREEMENT AS PER ARTICLE 6C AND ARTICLE 30  
 Consideration Price (Rs.) : 0  
 (Zero)  
 First Party : THE ANDHRA PRADESH MINERAL DEVELOPMENT CORP LTD  
 Second Party : BEACON TRUSTEESHIP LIMITED  
 Paid By (For Whom) : THE ANDHRA PRADESH MINERAL DEVELOPMENT CORP LTD  
 Stamp Duty Amount(Rs.) : 1,000  
 (One Thousand only)



Please write or type below this line

*This stamp paper forms an integral part of the bond/debenture trustee agreement to be executed between The Andhra Pradesh Mineral Development Corporation Limited and Beacon Trusteeship Limited on 11th day of March 2025 at Vijayawada.*



GG 0002429487

## Statutory Alert

1. The authenticity of the Stamp certificate should be verified at [www.sholestamp.com](http://www.sholestamp.com) or using e-Stamp Mobile App of Stock Holding.
2. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
3. In case of any complaint, please inform the Competent Authority.

THE ANDHRA PRADESH MINERAL DEVELOPMENT CORP LTD THE ANDHRA PRADESH MINERAL DEVELOPMENT CORP LTD THE ANDHRA PRADESH MINERAL DEVELOPMENT CORP LTD

**BOND/DEBENTURE TRUSTEE AGREEMENT**

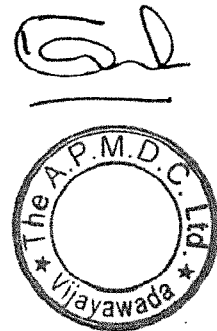
Dated MARCH 11, 2025

BY AND AMONGST

**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**  
(as the Issuer / Company)

AND

**BEACON TRUSTEESHIP LIMITED**  
(As the Bond/Debenture Trustee)



## BOND/DEBENTURE TRUSTEE AGREEMENT

This **Bond/Debenture Trustee Agreement** ("**Agreement**") made on this 11<sup>th</sup> day of March, 2025 at Vijayawada between: -

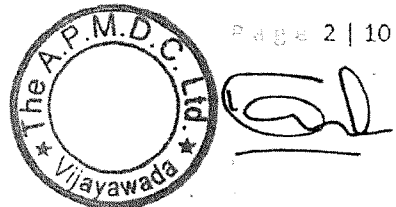
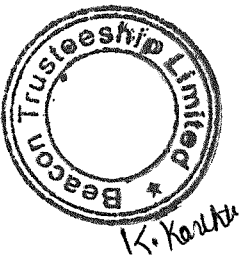
**THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED**, a company incorporated under the provisions of the Companies Act, 1956, and validly existing under the provisions of the Companies Act, 2013 with corporate identification number U13209TG1961SGC000871 and having its registered office at D.No.6-1-67/19/1 & 67/20, Flat No.302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India – 500004 and its corporate office at 294/1D, Tadigadapa to Enikepadu 100' Road, Kanur Village, Penamaluru Mandal, Krishna District, Andhra Pradesh, India, 521002 (hereinafter called the "**Issuer**" which expression shall include its successors and permitted assigns wherever the context or meaning shall so require or permit) of **ONE PART**

AND

**BEACON TRUSTEESHIP LIMITED**, a company incorporated under the provisions of the Companies Act, 2013 with corporate identification number L74999MH2015PLC271288 and having its Registered Office at 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, India, 400051 (hereinafter called the "**Trustee/Bond/Debenture Trustee**" which expression shall include its successors and assigns for the time being wherever the context or meaning shall so require or permit) of the **OTHER PART**.

### WHEREAS:

- A. The Issuer is *inter alia* engaged in the business of dealing in minerals and precious stones, mining and other allied activities.
- B. The Issuer pursuant to the authority granted by the resolutions of its board of directors passed at its meeting held on February 21, 2025 and the resolutions of its shareholders passed at meeting held on February 21, 2025 is proposing to offer to certain potential investors, to subscribe to, by way of private placement, the Bonds, issue and allot senior, secured, rated, listed, redeemable, taxable, non-convertible Bonds of the nominal value of INR 1,00,000/- (Indian Rupees One Lakh only) each, aggregating up to INR 10,000,00,00,000 /- (Indian Rupees Ten thousand Crores only) ("**Bonds**"), on private placement basis, subject to the terms and conditions contained in the Bond/Debenture trust deed ("**Bond/Debenture Trust Deed**"), for the purposes as shall be set out in the Bond/Debenture Trust Deed and Offer Document.
- C. Pursuant to the Companies Act, 2013, including any statutory modification or reenactment or replacement thereof, for the time being in force ("**Companies Act**"), SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as amended, amended and restated, supplemented, modified or replaced from time to time) ("**SEBI NCS Regulations**") and the SEBI (Debenture Trustees) Regulations 1993, (as amended, amended and restated, varied, modified or replaced from time to time) ("**SEBI Debenture**

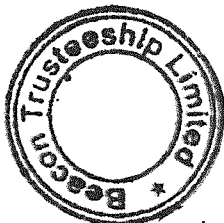


Trustee Regulations") the Issuer is required to appoint a trustee for the benefit of the holders of the Bonds/Debentures. The Trustee is registered with the Securities and Exchange Board of India as a Debenture trustee under the SEBI Debenture Trustee Regulations. Accordingly the Issuer has approached Beacon Trusteeship Limited to act as the Trustee for the Bond/Debenture Holders and Beacon Trusteeship Limited have consented to act as Bond/Debenture Trustee for the benefit of the Bond/Debenture Holders of the proposed issue of the Bonds, subject to the disclosure of the applicable information as required by the SEBI circular dated May 16, 2024, as amended and restated, supplemented or replaced from time to time ("SEBI DT Master Circular") and SEBI circular dated May 22, 2024 as amended, amended and restated, supplemented or replaced from time to time ("SEBI Master Circular") sought by the Trustee from the Issuer and completion of diligence of all such relevant information to the satisfaction of the Bond/Debenture Trustee.

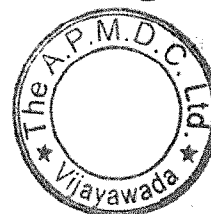
- D. Accordingly, the Issuer and the Bond/Debenture Trustee have agreed to execute this Agreement being these presents on the terms and conditions agreed upon and hereinafter set out.
- E. Capitalised terms used but not defined herein shall have the meaning ascribed to them in the Bond/Debenture Trust Deed.

**NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:**

1. That the Issuer hereby appoints Beacon Trusteeship Limited as the Bond/Debenture Trustee for the Bond/Debenture Holders of the Bonds aggregating up to INR 10,000,00,00,000 /- (Indian Rupees Ten Thousand Crores only) to be issued by the Issuer from time to time and Beacon Trusteeship Limited hereby agrees to act as Bond/Debenture Trustee for the Bond/Debenture Holders. The Bond/Debenture Trustee and the Issuer shall on or around the date hereof also enter into a Bond/Debenture trust deed and such other documents as may be required from time to time in relation to the Bonds. The Bond/Debenture Trustee agrees to act as Bond/Debenture Trustee on behalf of and for the benefit of the Bond/Debenture Holders and for the purposes related thereto, strictly in accordance with the provisions of the Transaction Documents and as more particularly provided in the Bond/Debenture Trust Deed. Notwithstanding anything to the contrary, the Bond/Debenture Trustee shall not act on any instructions of the Issuer and shall only act with the instruction of the Bond/Debenture Holders in accordance with Bond/Debenture Trust Deed.
2. The Bond/Debenture Trust Deed shall be finalized by the parties and contain statutory/standard information pertaining to the debt issue inter alia consisting of clauses pertaining to Form SH-12 in terms of Rule 18(5) of the Companies (Share Capital and Bonds) Rules, 2014 as well as details specific to the Bonds. The Bond/Debenture Trust Deed shall consist of two parts:
  - a) Part A containing statutory/standard information pertaining to the Issue.
  - b) Part B containing details specific to the Issue

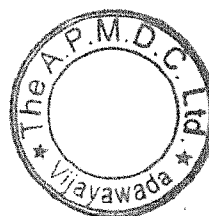
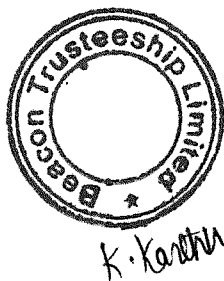


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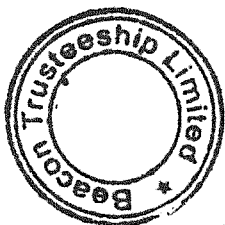


3. The Bonds/Debentures are to be secured by way of a creating charge over such assets as shall be described in the Transaction Documents to be executed pursuant to the Issue, on such terms and conditions as agreed by the Bond/Debenture Holders and disclosed in the Offer Document, the Bond/Debenture Trust Deed and other Transaction Documents. The Security so created pursuant to the Security Documents shall be registered with the Sub-Registrar (as applicable), Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest ("CERSAI"), depository or any other institution, as applicable, within 30 days of creation of charge or such earlier date as is provided in the Transaction Documents. The Company shall execute the Security Document and Bond/Debenture Trust Deed on or before making the final listing application. The issuer shall provide the Trustee No objection certificates from the existing lender for creation of charge in case such assets are already charged.
4. The Issuer shall pay to the Bond/Debenture Trustee so long as they hold the office of the Bond/Debenture Trustee, remuneration for their services as Bond/Debenture Trustee in addition to all reasonable and actual legal, traveling and other costs, charges and expenses which the Bond/Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Bond/Debenture Trust Deed and all other documents executed/to be executed to give effect to the creation of Security for securing the Bonds. The remuneration of the Bond/Debenture Trustee shall be as per the fee letter bearing reference no. 69565/CL/MUM/24-25/DEB/620 dated March 03, 2025 (as may be amended/modified from time to time).
5. The Issuer shall comply with the provisions of SEBI Debenture Trustees Regulations, SEBI NCS Regulations, Debt Listing Agreement SEBI Circular No. SEBI/IMD/DOF-1/Debenture/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/DEBENTURE/Cir-5/2009 dated the 26th November, 2009, LODR and the Act, each as amended, amended and restated, supplemented, replaced or modified from time to time, and other applicable provisions. Further the Issuer undertakes to comply with all regulations/provisions of the Companies Act, guidelines of other regulatory authorities in respect of allotment of Bonds till redemption.
6. This agreement is made in compliance with the Regulation 13 of the SEBI Debenture Trustee Regulations, And the parties undertake to ensure compliance with the same at all times till existence of this Agreement.
7. The Issuer shall provide to the Bond/Debenture Trustee on or prior to date of execution of this Agreement, all the applicable information and documents as required in terms of the SEBI NCS Regulations.
8. Terms of carrying out due diligence:
  - a. The Bond/Debenture Trustee, either through itself or its, advisors or experts, shall independently carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Document and the SEBI DT Master Circular, has been obtained. For the purpose of carrying out

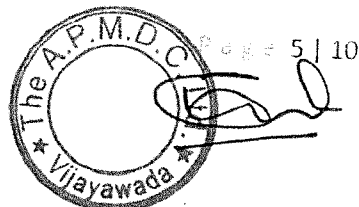


the due diligence as required in terms of Applicable Law, the Bond/Debenture Trustee, either through itself or its, advisors or experts, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Bond/Debenture Trustee.

- b. The Issuer shall provide all assistance to the Bond/Debenture Trustee to enable verification from the Registrar of Companies, CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Issuer or any third party security provider for securing the Bonds, are registered / disclosed.
  - c. Further, in the event that any existing charge holders, the concerned trustee or agent on behalf of the existing charge holders, have provided conditional consent / permissions to the Issuer to create further charge on the assets, the Bond/Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant Transaction Documents or any other documents executed between existing charge holders/trustee and the Issuer.
  - d. Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Bond/Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Bonds, in accordance with the Applicable Law..
  - e. The Bond/Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Bond/Debenture Trustee. All reasonable and actual costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports or certificates or documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.
  - f. The Debenture Trustee shall obtain all such necessary certificates as stipulated below from the empaneled agency as a part of due diligence, as applicable:
    - i. ROC Search Report
    - ii. CERSAI Search Report
    - iii. Valuation Certificate of Assets secured
    - iv. Security Cover Certificate
    - v. Undertaking from the asset owner for non encumbrance
    - vi. Details of guarantor viz. holding/ subsidiary/ associate company etc.
    - vii. Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created
    - viii. Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor
    - ix. Executed copies of previously entered agreements for providing guarantee to any other person, if any
9. The Issuer undertakes to promptly furnish all and any information as may be required by the Bond/Debenture Trustee in terms of the Companies Act and the Bond/Debenture

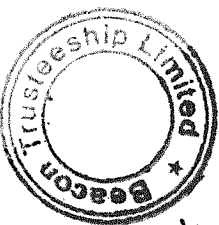


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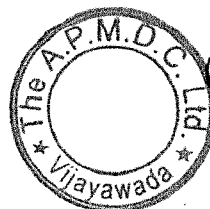


Trust Deed on a regular basis, including without limitation the following documents, as may be applicable:

- a. drafts of the Offer Document in relation to the issue of Bonds to facilitate the Bond/Debenture Trustee to review and provide comments, if any, as also the final Offer Document;
- b. the necessary corporate authorisations by way of board resolution and/or shareholder resolution necessary for the issue, allotment and the creation of security thereunder;
- c. agreement with the Registrar and Transfer Agent;
- d. letters from credit rating agencies regarding ratings;
- e. depository details;
- f. proof of credit of the Bonds in favour of the Bond/Debenture Holders;
- g. bank account details of the Issuer along with copy of pre-authorisation letter issued by Issuer to the banker in relation to the payment of redemption amount and Coupon in such format acceptable to the Bond/Debenture Trustee;
- h. executed copy of this Agreement;
- i. Bond/Debenture Trust Deed;
- j. Security Documents executed in relation to the Bonds;
- k. acknowledgement of filing the Offer Document with the Stock Exchange/;
- l. listing and trading permission from the stock exchange;
- m. approval for listing of the Bonds from the stock exchange;
- n. listing application along with the required details / annexures submitted to the stock exchange;
- o. certificate issued by the Registrar of Companies in relation to the charge created to secure the Bonds;
- p. confirmation or proof of payment of interest and principal amounts made to the Bond/Debenture Holders on due dates as per the terms of the Bond/Debenture Trust Deed and applicable rules and regulations as may be issued by SEBI including applicable law;
- q. certificate of independent chartered accountant for utilization of funds/issue proceeds;
- r. beneficiary position reports as provided by the Registrar and Transfer Agent
- s. statutory auditor certificate, on a half yearly basis on maintenance of asset cover, the value of book debt and receivables, including compliance with the covenants of the Offer Document;
- t. information to enable the Bond/Debenture Trustee to carry out the necessary due diligence and monitor the asset cover on a quarterly basis and to ensure the implementation of the conditions regarding creation of security for the Bonds, if any, Bond/Debenture redemption reserve and recovery expense fund;
- u. details of the recovery expense fund to be created by the Issuer in the manner as may be specified by the SEBI from time to time along with duly acknowledged letter / confirmation from stock exchange on the amount of such fund maintained and the mode of maintenance;
- v. periodical reports / information on quarterly / half yearly / annual basis as required to be submitted to stock exchanges under the SEBI Bond/Debenture Trustee Regulations, Debt Listing Agreement or the LODR (as amended from time to time); and



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- w. such other documents as may be reasonably required, from time to time, by the Bond/Debenture Trustee.

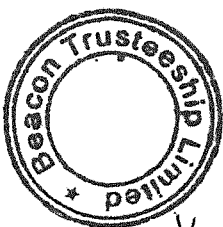
The Issuer shall ensure to furnish the list of documents as per the compliance checklist with reference number BTL/OPR/24-25/ 69578 dated March 03, 2025 provided by the Bond/Debenture Trustee within the prescribed timeline.

10. Information Accuracy and Storage

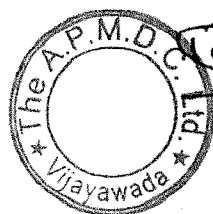
- a. The Issuer declares that the information and data furnished by the Issuer to the Bond/Debenture Trustee is true and correct and that the Bond/Debenture Trustee may in good faith rely upon the same and shall not be liable for acting or refraining from acting upon such information or data furnished to it under this Agreement.
- b. The Issuer confirms that the requisite disclosures made in the Offer Document are true and correct.
- c. All disclosures made in the Offer Document with respect to creation of security are in confirmation with the clauses of this Agreement.
- d. The Issuer undertakes and acknowledges that the Bond/Debenture Trustee and any other authorized agency may use, process the information and data disclosed to the Bond/Debenture Trustee in the manner as deemed fit by them in relation to the purpose of the due diligence to be undertaken in relation to the issuance of the Bonds.
- e. The Issuer hereby agrees that the Bond/Debenture Trustee shall have an unqualified right to disclose to the Bond/Debenture Holders (in accordance with applicable law) information including the credit history and the conduct of the account(s) of the Issuer as well as all details in relation to the assets of the Issuer and all third party security providers, guarantors and other undertaking providers, in such manner and through such medium as the Bond/Debenture Trustee in its absolute discretion may think fit. The Issuer agrees that such disclosure shall not be considered to be breach of confidentiality on the part of the Bond/Debenture Trustee.

11. Other Terms and Conditions

- a. The Bond/Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Bonds.
- b. The Debenture Trustee confirms that it: (a) is not an associate of the Issuer (b) does not beneficially hold shares in the Issuer; (c) is not a promoter, director or key managerial personnel or any other officer or an employee of the Issuer or of any holding company or a subsidiary or affiliate of the Issuer, under the Companies Act; (d) is not beneficially entitled to monies which are to be paid by



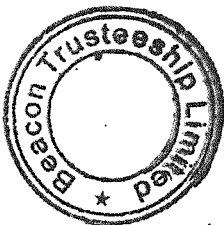
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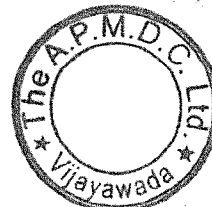
the Issuer otherwise than as remuneration payable to the Debenture Trustee; (e) has not furnished any guarantee in respect of the Debentures or any interest thereon; (f) is not indebted to the Issuer, or its subsidiary or its holding or associate company or a subsidiary of such holding company; (g) does not have any pecuniary relationship with the Issuer amounting to 2% (two percent) or more of its gross turnover or total income or INR 50 lakhs, whichever is lower, during the two immediately preceding financial years or during the current financial year; and (h) is not a relative of any promoter or any person who is in the employment of the Issuer as a director or 'key managerial personnel', under the Companies Act,

- c. The Issuer hereby declares and confirms that the assets on which the charge is proposed to be created to secure the Bonds are free Encumbrances / if encumbered, necessary permissions or no objections have been obtained from the existing charge holders, and the same will be disclosed in the Offer Document.
  - d. The Issuer hereby declares and confirms that the charge on the secured assets shall be created in favour of the Bond/Debenture Trustee prior to filing of the application for listing of the Bonds. Further, the charges created by Issuer or third party security providers shall be registered with, Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of charge or such earlier date as is provided in the Transaction Documents.
  - e. The Issuer confirms that all necessary disclosures shall be made in the Offer Document including but not limited to statutory and other regulatory disclosures.
  - f. The Issuer confirms that the necessary documents for the creation of the charge, where applicable, including the Bond/Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc., and the same would be uploaded on the website of the designated stock exchange, where the debt securities have been listed,
  - g. The Issuer shall on or prior to the date of execution of Bond/Debenture Trust Deed, provide to the Bond/Debenture Trustee, the bank account details from which the Issuer proposes to make the payment of redemption and coupon amount due to the Bond/Debenture holder. Further, the Issuer hereby undertakes that it shall preauthorize the Bond/Debenture Trustee to seek the redemption amount payment related information from such bank.
12. The Issuer further agrees, undertakes, confirms that:

- a. All covenants proposed to be included in Bond/Debenture Trust Deed (including any side letter, accelerated payment clause, fees charged by the Bond/Debenture trustee, etc.) are disclosed in offer document or private placement memorandum/ information memorandum.



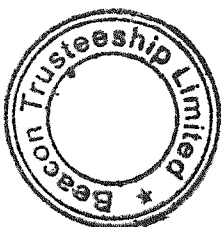
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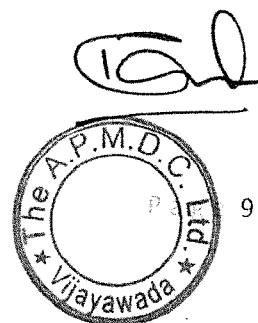
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- b. Terms and conditions of this Agreement including fees charged by the Bond/Debenture Trustee and process of due diligence carried out by Bond/Debenture Trustee shall be disclosed under the Offer Document.
13. The Issuer shall pay within 15 (fifteen) Business Days of demand, all actual costs and expenses (including legal fees) incurred by the Bond/Debenture Trustee in connection with the preparation, negotiation of or entry into this Agreement and/or any amendment of, supplement to or waiver in respect of this Agreement, against submission of the requisite supporting documents. Apart from the Bond/Debenture Trustee fees, the Issuer shall, from time to time, make payment to/ reimburse the Bond/Debenture Trustee in respect of all expenses and out-of-pocket costs incurred by the Bond/Debenture Trustee in connection with the transaction being contemplated under this Agreement other than any costs and expenses incurred on account of gross negligence, wilful misconduct or default of the Bond/Debenture Trustee as conclusively determined by the court of competent jurisdiction. The Issuer shall promptly pay, and in any event before any interest or penalty becomes payable, any stamp, documentary, registration or similar tax payable in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Agreement and/or any such amendment, supplement or waiver.
14. Subject to applicable law, no change or modification of this Agreement shall be valid unless the same shall be in writing and signed by the Parties hereto.
15. This Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.
16. This Agreement is entered into in compliance with the Act, SEBI Debenture Trustee Regulations and other applicable provisions and shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the Bonds have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
17. This Agreement shall be governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Vijayawada and that accordingly, any suit, action or proceedings arising out of or in connection with this Agreement may be brought before such courts.

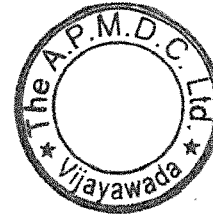


K. Karthi



IN WITNESS WHEREOF the Issuer and the Bond/Debenture Trustee has caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED by the within-named **THE ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION LIMITED** in its capacity as the Issuer by the hand of **Sri Pravin Kumar, IAS**, an authorized official of Issuer.



In presence of:

Dr. V.V.V. Phanikumar, GM (F&A)

SIGNED AND DELIVERED by the within-named **BEACON TRUSTEESHIP LIMITED** in its capacity as Bond/Debenture Trustee by the hand of K. KARTHIK, an authorized official of Beacon Trusteeship Limited.

**For Beacon Trusteeship Limited**

  
**Authorized Signatory**

In presence of:

\_\_\_\_\_

## ANNEXURE L- EVENTS OF DEFAULT AND COVENANTS

### EVENTS OF DEFAULT AND REMEDIES

#### 1. Events of Default

- 1.1. An Event of Default shall mean the occurrence of any one or more of the events specified in this Clause (each, an “**Event of Default**”), whether voluntarily or involuntarily, or resulting from the operation of law or otherwise (and in the event that such Event(s) of Default is/are not remedied by the Issuer within the cure period provided in respect thereof, if any), then the Debenture Trustee shall have the right to enforce its rights under this Deed in terms of Clause 2 (*Remedies*) below.

It is clarified that unless otherwise specified, the events listed in Clause 1.2 below shall not have any cure period, and, in particular, no cure period shall be available in respect of: (a) any default in redemption of Bonds, (b) any default in payment of Coupon / Principal Amount, and (c) any failure to replenish any shortfall in the Debt Service Reserve Amount in the DSRA within 30 (thirty) days from the date of issuance of a Shortfall / Event of Default Notice.

- 1.2. Notwithstanding anything to the contrary herein contained, each of the events set out below is an Event of Default (whether caused by any Person whatsoever outside the control of the Issuer or of any other Person) (such determination being at the sole discretion of Debenture Trustee):

(a) Default in redemption of Bonds

Any default in the redemption of the Bonds as and when the same shall have become due and payable.

(b) Default in payment of Coupon/Principal Amount

Default by the Issuer in the payment of Secured Obligations as and when the same shall have become due and payable on the Due Date.

(c) Failure to perform material obligations under Transaction Documents

The Issuer and/or the Government of Andhra Pradesh fails to perform or breaches any of its respective material obligations with respect to any covenant, condition or agreement under this Deed or any other Transaction Document (to which it is a party), and such failure is not capable of being cured in the Debenture Trustee’s opinion or there is an event or circumstance which will affect the ability of the Issuer and/or the Government of Andhra Pradesh to enter into and perform its / their obligations under the Transaction Documents or the legality, validity or the binding nature of the Transaction Documents.

(d) Breach of terms of the Deed of Guarantee

(i) The Government of Andhra Pradesh fails to pay the shortfall in DSRA towards maintenance of Debt Service Reserve Amount pursuant to receipt of a Shortfall / Event of Default Notice in terms of Clause 3.2 of the Deed of Guarantee cum Undertaking (*Payment of shortfall in DSRA and Invocation of Guarantee*).

(ii) Any misrepresentation by the Government of Andhra Pradesh in terms of Clause 4 (*Representations and Undertakings of the Parties*) of the Deed of Guarantee cum Undertaking and/or the Issuer in terms of the Transaction Documents, and such misrepresentation is not cured (if curable) within 30 (thirty) calendar days.

- (iii) The Government of Andhra Pradesh fails to comply with, or breaches the terms set out in Clause 6 (*Special Covenants and Undertakings*) of the Deed of Guarantee, and such failure is not remedied within 30 (thirty) calendar days.

(e) Security

- (i) Failure of the Issuer to create and/or perfect the Security Interest over the Secured Properties within the timelines specified under the relevant Transaction Documents, and such failure, if capable of being remedied, is not remedied within 30 (thirty) calendar days.
- (ii) Occurrence of any event or circumstance whereby any of the Security Document(s) once executed and delivered shall fail to have or provide the priority or ranking contemplated over the relevant Secured Properties, or any such Security Document(s) cease to be in full force and effect and such default has not been cured within a period of 30 (thirty) calendar days from the date of occurrence of such default.
- (iii) Any event or circumstance takes place which, in the opinion of the Debenture Trustee, is materially prejudicial to, or materially imperils, or otherwise depreciates the value of the Security Interest expressed to be provided under the relevant Security Document(s) in favour of the Debenture Trustee, which is not cured within 30 (thirty) calendar days.
- (iv) The Asset Coverage Ratio falling below 1 (one), leading to the value of the Security Interest being depreciated, thereby entitling the Debenture Trustee to call for additional / alternate security, and failure of the Issuer to provide such additional / alternate security within a period of 30 (thirty) days.

(f) Material adverse effect

Breach of the terms of any of the Transaction Documents or occurrence of any other event, which is likely to result in, or which may have, any material adverse effect, and such breach or event, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(g) Failure to maintain insurance

- (i) Failure by the Issuer/ Government of Andhra Pradesh to obtain or maintain (as the case may be) any insurance in respect of the Secured Properties as may be required by the insurance advisor appointed by the Secured Parties; and/or to renew such insurance; or paying the premium necessary towards maintaining such insurance when due, and such default, if capable of remedy, is not cured within a period of 90 (ninety) calendar days.
- (ii) Any insurance policy contracted or taken by the Issuer in relation to the Secured Properties is not, or ceases to be, in full force and effect at any time when it is required to be in effect and such default, if capable of remedy, is not cured within 90 (ninety) calendar days from the date of its occurrence.

(h) Supply of misleading information

Any information provided by the Issuer/ Government of Andhra Pradesh under the Transaction Documents and/or any other information furnished and/or any other

document delivered by or on behalf of the Issuer/ Government of Andhra Pradesh and/ or any representation, warranty or statement given or deemed to have been given by the Issuer/ Government of Andhra Pradesh to the Debenture Trustee/Bond Holders in connection with the Bonds is or proves to be misleading or incorrect or is found to be incorrect, and such default is not remedied within 30 (thirty) calendar days.

(i) Categorisation as a Wilful Defaulter

(i) In the event the Issuer or any of its directors (except any nominee directors nominated by any financial institution) are included in Reserve Bank of India's list of wilful defaulters and the same is not cured within 30 (thirty) calendar days from the occurrence of such event.

(ii) In the event an independent director is included in wilful defaulters list and such director is not replaced promptly, within a period of 30 (thirty) calendar days.

(j) Issuer ceases to carry on business

If the Issuer ceases, or threatens to cease, to carry on all or substantially all its business, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(k) Liabilities exceed the assets

If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Issuer exceed its assets indicating the inability of the Issuer to discharge the Secured Obligations, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(l) Expropriation

If any Governmental Authority condemns, nationalizes, compulsorily acquires or seizes or otherwise expropriates all or any material part (in the opinion of the Debenture Trustee) of the assets of the Issuer (including but not limited to the Secured Properties), or any Governmental Authority (other than the Government of Andhra Pradesh) assumes custody or Control of the shares or business or operations of the Issuer or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on its business or operations or a substantial part thereof, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(m) Alteration in provisions of memorandum and/or articles of association

If the Issuer, without the previous consent in writing of the Debenture Trustee, makes or takes steps to make any alteration in the provisions of its Constitutional Documents which might, in the opinion of the Debenture Trustee, detrimentally affects or is prejudicial to the interests of the Bond Holders and upon demand by the Debenture Trustee refuses, neglects or is unable to rescind such alteration within 30 (thirty) calendar days of such alteration.

(n) Authorizations

Any of the necessary clearances required or desirable in relation to the Issuer, Government of Andhra Pradesh or the Bonds in accordance with any of the Transaction Documents is not received or is revoked, terminated, withdrawn, suspended, modified, withheld or ceases to be in full force, and such default, if capable of being remedied, is



not remedied within 30 (thirty) calendar days.

(o) Insolvency

- (i) the Issuer has voluntarily or involuntarily become the subject of proceedings under any Applicable law relating to insolvency or the Issuer is voluntarily or involuntarily dissolved or any application being initiated against the Issuer under the Insolvency and Bankruptcy Code, 2016 (or any other analogous law for the time being in force) and the same is not stayed or dismissed within 21 (twenty one) calendar days from the date of such initiation;
- (ii) if a petition for winding up of the Issuer has been filed and not stayed or dismissed within 7 (seven) calendar days from the date of filing by a court of competent jurisdiction or if an order of a court of competent jurisdiction is made for the winding up of the Issuer and the Issuer has taken any action or any actions having been taken or legal proceedings being started, in relation to all or part of the undertaking of the Issuer, for its dissolution, administration, bankruptcy, insolvency, any reorganization or attachment of its assets, which has the effect of dissolution or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues and assets.

(p) Unlawfulness and Illegality

If:

- (i) it is, or becomes, unlawful for the Issuer to perform or comply with any of its obligations under any Transaction Document in the opinion of the Debenture Trustee or the collection of, and/or charge over the Revenue (including but not limited to the revenue arising from the Identified Mines / Identified Mine Documents / Identified Mine Contracts) is found untenable in a court of law, or the Issuer is in any manner restrained from the collection / appropriation of the Revenue (including but not limited to the revenue arising from the Identified Mines / Identified Mine Documents / Identified Mine Contracts); or
- (ii) the Identified Mine Documents and/or the grant of quarry leases / mining rights in respect of the Identified Mines is/are or become/s illegal, invalid, unenforceable, or there is any defect in any material provision thereof / in relation thereto; or
- (iii) any Transaction Document is not, or ceases to be, in full force and effect, or becomes illegal, invalid, unenforceable or there is any defect in any material provision of any of the Transaction Document,

and such default, if capable of being remedied, is not remedied within 90 (ninety) calendar days.

(q) Credit Rating

- (i) In the event, the credit rating of the Bonds is withdrawn or suspended by any Rating Agency and the same is not remedied within 90 (ninety) calendar days from the date of such occurrence; or
- (ii) The Issuer fails to renew the credit rating obtained by it in accordance with the provisions of the Transaction Documents.

(r) Reorganisation

The Issuer has taken/ takes any action for its of merger (other than mergers of its wholly owned subsidiaries), consolidation, reorganisation or amalgamation, demerger, buyback of its shares or change in its ownership without the prior written approval of the Debenture Trustee, and such action is prejudicial to the interest of the Debenture Holders; *provided* that such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

(s) Operation and maintenance of the Revenue Collection Account.

Any breach or violation of the Issuer's undertaking to deposit all its Revenues into the Revenue Collection Account in accordance with the terms of this Deed and any other Transaction Documents; and such breach or violation is not fully remedied within 3 (three) working days from its occurrence.

(t) Repudiation

Repudiation of any of the Transaction Documents to which the Issuer or the Government of Andhra Pradesh is a party, or intention of the Issuer or the Government of Andhra Pradesh to repudiate any Transaction Document to which it is a party, and such default, if capable of being remedied, is not remedied within 30 (thirty) calendar days.

## 2. Remedies

2.1. The Security Interest created/ to be created under the Transaction Document in favour of the Debenture Trustee shall become enforceable, upon the occurrence of an Event of Default.

2.2. If an Event of Default has occurred, the Debenture Trustee may, without prejudice to any other rights it may have under Applicable Law:

- (i) accelerate the maturity of the Bonds and declare all of the amounts outstanding on the Bonds (including but not limited to any Coupon accrued thereon) and other Secured Obligations as on that date, to be immediately due and payable;
- (ii) enforce the Security Interest(s) created in its favour in terms of the relevant Transaction Document and undertake all actions and proceedings as may be necessary or required for the purposes of such enforcement.
- (iii) instruct the Account Bank to activate the Default Escrow Mechanism in the manner specified in the Accounts Agreement, in order to make payment of the Secured Obligations;
- (iv) issue a Shortfall / Event of Default Notice, calling upon the parties to remedy the Event of Default within 30 (thirty) calendar days from the date of issuance of the Shortfall / Event of Default Notice. In the event that the Event of Default is not cured before the closure of the 30<sup>th</sup> (thirtieth) calendar day from the date of issuance of the Shortfall / Event of Default Notice, the Debenture Trustee shall invoke the guarantee provided by the Government of Andhra Pradesh, by issuing a Guarantee Invocation Notice to the Government of Andhra Pradesh on the next Business Day and simultaneously direct the RBI to debit forthwith, on first priority basis, such amount as mentioned in the Guarantee Invocation Notice from the account(s) of the Government of Andhra Pradesh maintained with RBI, in accordance with the provisions of the Deed of Guarantee cum

Undertaking. The Debenture Trustee shall, further, notify the Rating Agencies who have rated the Bonds of (i) the invocation of the Guarantee (through the Guarantee Invocation Notice), and (ii) the issuance of the Notice to RBI;

- (v) initiate legal proceedings against the Issuer/ Government of Andhra Pradesh to realise the entire Secured Obligations payable in respect of the Bonds, enforce Security Interest, if any, in accordance with Applicable Law;
- (vi) exercise all powers under Applicable Law and/or the Transaction Documents; and
- (vii) appoint independent agents to examine operations of the Issuer and the value of the Security.

*Provided*, the proceeds from enforcement of Security will be appropriated by the Debenture Trustee towards the payment of Secured Obligations to the Secured Parties, in terms of the Transaction Documents.

- 2.3. Upon the occurrence of an Event of Default, the Debenture Trustee shall ensure that the Default Escrow Mechanism is effective and in full force till the Bond Servicing Account is adequately maintained for servicing the Bonds for full and final redemption. The Default Escrow Mechanism shall cease to be in effect from the date of such maintenance in the Bond Servicing Account. It is clarified that the Debenture Trustee may initiate any action mentioned above, along with giving effect to the Default Escrow Mechanism.
- 2.4. The Debenture Trustee shall have the authority to act upon and enforce the provisions of this Deed in accordance with these presents or to adopt appropriate remedies in that behalf on the instructions by the Majority Bond Holders for each series or sub-series of the Bonds and not on a consolidated basis (apart from a default in payment of Coupon/Principal Amount), and may in that behalf adopt remedies in relation thereto, and shall exercise all powers under this Deed in accordance with Applicable Law.
- 2.5. It is hereby clarified that prior to invocation of the Guarantee in terms of the Deed of Guarantee, the obligations with respect to the Bonds in terms of the Transaction Documents shall be solely upon the Issuer, and the liability of the Government of Andhra Pradesh shall not be direct, but contingent to the terms of invocation set out in the Deed of Guarantee. Upon invocation of the Guarantee, the liability on account of the outstanding Bonds, including payments with respect to shortfall in DSRA, shall become the direct and primary liability of the Government of Andhra Pradesh and shall be treated at par with all other liabilities of the Government of Andhra Pradesh, and shall be co-terminus with the obligations of the Issuer under this Deed.

## 2.6. Inter Creditor Agreement

Upon occurrence of a payment Event of Default in terms of Clause 1.2 (a) and Clause 1.2 (b) hereof, the Debenture Trustee in accordance with the SEBI DT Master Circular, shall:

- (a) send a notice to the Bond Holders within 3 (three) days of the occurrence of a payment Event of Default in terms of Clause 1.2 (a) and Clause 1.2 (b) hereof, by way of registered post with acknowledgement due, speed post with acknowledgement due, courier, hand delivery with proof of delivery or through electronic mail as a text or an attachment with notification of read receipt and proof of such delivery of notice or e-mail shall be maintained by the Debenture Trustee;
- (b) the notice delivered by the Debenture Trustee in accordance with (a) above, shall provide:
  - (A) the negative consent for proceeding with enforcement of the Security Interest; (B) positive consent for signing an inter-creditor agreement in accordance with the RBI circular

dated June 07, 2019 (“ICA”); (C) the time period within which the Bond Holders are required to provide their consent, that is, within 15 (fifteen) days from the date of such notice; and (D) the date on which the meeting of Bond Holders will be convened. The Debenture Trustee shall convene a meeting of the Bond Holders no later than 30 (thirty) days from the occurrence of a payment Event of Default in terms of Clause 31.1.2 (a) (*Events of Default*) and Clause 31.1.2 (b) (*Events of Default*) of this Deed provided that in case the Event of Default is cured by the Issuer to the satisfaction of the Debenture Trustee / Bond Holders, no meeting of the Bond Holders will be required;

- (c) the Debenture Trustee shall take the necessary action for enforcement of the Security Interest or for entering into an ICA, as decided by the Majority Bond Holders for ICA in terms with the Applicable Law;
- (d) In the event the Majority Bond Holders for ICA agree to sign an ICA and the Debenture Trustee signs such ICA on behalf of the Bond Holders, the Debenture Trustee shall be subject to the conditions stipulated in the SEBI DT Master Circular.

## COVENANTS AND UNDERTAKINGS

### 1. Covenants and Undertakings

The Issuer hereby covenants and undertakes that:

- (a) it shall comply with and observe and perform all the terms, conditions and covenants contained in these presents and the other Transaction Documents;
- (b) it shall at all times comply with the provisions of the Act and the rules and circulars issued thereunder, in respect of performance of its respective obligations under the Transaction Documents;
- (c) it shall ensure that the Bonds are listed on the wholesale debt market segment of the Designated Stock Exchange within 3 (three) Business Days from the Issue Closing Date;
- (d) it shall not make modification to the structure of the Bonds in terms of Coupon, conversion, redemption, or otherwise than in accordance with Applicable Law and with the prior approval of the Designated Stock Exchange;
- (e) it shall make payment of the guarantee commission payable by it to the Government of Andhra Pradesh in relation to the Guarantee, in accordance with the terms of the government order bearing reference no. G.O. Ms. No. 33 dated March 12, 2025 issued by the Industries and Commerce (M.III) Department of the Government of Andhra Pradesh);
- (f) it shall not induct any person into its Board who has been identified as a wilful defaulter by the RBI / credit information companies or any other Governmental Authority authorised in this behalf. If any such person is already a member of the Board, the Issuer shall take expeditious and effective steps for removal of such person so inducted, upon becoming aware of such facts;
- (g) it shall not amend or modify its Constitutional Documents in any manner which would result in restrictions on the Issuer complying with its obligations under the Transaction Documents;
- (h) it shall not sell, transfer, assign, Encumber or otherwise dispose off (whether voluntarily or involuntarily) (or agree to do any of the foregoing at any future time) any of its business undertaking or assets or any of the Secured Properties;
- (i) unless required by Applicable Law, it shall not change the financial year-end from the date Issuer has currently adopted;
- (j) it shall ensure that the disclosures in respect of the Use of Proceeds are provided in the Offer Document, in form and manner satisfactory to the Debenture Trustee;
- (k) save and except the Security created in accordance with the terms of the Transaction Documents (and any Security Interest created with respect to the Permitted Indebtedness with the approval of the Debenture Trustee), it shall not create any Encumbrance over the properties over which a Security Interest has been created (including, without limitation the Secured Properties) in accordance with the terms of the Transaction Documents without the prior written consent of the Debenture Trustee;



- (l) it shall diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it, in the conduct of its business and that it will comply with each and every term of the said franchises and concessions and all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its assets or any part thereof; *PROVIDED* that the Issuer may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest, may postpone compliance therewith if the rights enforceable under the Bonds or the security for the Bonds is not thereby materially endangered or impaired;
- (m) it will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Principal and / or Coupon on the Bonds might or would be hindered or delayed;
- (n) it shall not change the nature of its business in any manner, unless permitted under the terms of this Deed;
- (o) it shall punctually pay all rents, royalties, taxes, rates, levies, cesses, insurance premium, assessments, impositions, governmental, municipal or otherwise imposed upon or payable by the Issuer, as and when the same shall become payable and when required by the Debenture Trustee, produce the receipts of such payment and shall also punctually pay and discharge all Financial Indebtedness, obligations and liabilities which may have priority over the Bonds and observe perform and comply with all covenants and obligations which ought to be observed and performed by the Issuer in respect of or any part of its assets;
- (p) it shall ensure that it keeps the Secured Properties adequately insured and in proper condition;
- (q) it shall forthwith give notice in writing to the Debenture Trustee of all orders, directions, notices of a court or tribunal or likely to affect its assets including in particular, the Secured Properties;
- (r) *Financial Covenants and Security:*
  - (i) The Issuer shall, at all times until the Final Settlement Date, maintain:
    - (A) a minimum Asset Coverage Ratio of 1 (one); and
    - (B) a DSCR of at least 1.25 (one decimal two-five) – *Provided* that in the event the Issuer avails any Permitted Indebtedness, the Issuer shall instead be required to maintain a DSCR of at least 1.50 (one decimal five-zero).
  - (ii) The Asset Coverage Ratio requirement under paragraph (i) above shall be tested on a yearly basis (or such other frequency as may be required under Applicable Law).
  - (iii) Compliance with the DSCR requirement shall be tested on a yearly basis (or such other frequency as may be required under Applicable Law) at the end of each financial year.
  - (iv) Notwithstanding anything contained in this Deed or any other Transaction Document, in the event the Issuer fails to maintain the Asset Coverage Ratio at the level stipulated in sub-clause (i) hereinabove, the Debenture Trustee

(acting on the instructions of the Bond Holders) may require the Issuer to, within 30 (thirty) days of such occurrence, create such further Security Interest as may be required to fully restore the Asset Coverage Ratio to the stipulated level. The Issuer agrees and undertakes that in the event such further Security Interest is required to be provided by it, that the same will be provided in a form and manner acceptable to the Debenture Trustee.

- (v) The Issuer shall submit to the Debenture Trustee valuation reports (in such form and manner as may be acceptable to the Debenture Trustee) in respect of the value of the underlying mineral deposits in the Identified Mines, every 3rd (third) year from the Deemed Date of Allotment.

(s) *Anti-Bribery and Corruption Law:*

- (i) The Issuer shall not directly or indirectly use the proceeds of the Debentures for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.
- (ii) The Issuer shall:
  - (A) conduct its businesses in compliance with applicable Anti-Bribery and Corruption Laws; and
  - (B) maintain systems, controls, policies and procedures designed to promote and achieve compliance with such Anti-Bribery and Corruption Laws.
- (iii) The Issuer shall not directly or indirectly use the transaction proceeds for any purpose that would breach any Anti-Bribery and Corruption Laws.
- (iv) In connection with the transactions contemplated by this Deed, the Issuer shall not directly or indirectly, authorise, offer, promise, or make payments of anything of value, including but not limited to cash, cheques, wire transfers, tangible and intangible gifts, favours, services, and those entertainment and travel expenses that go beyond what is reasonable and customary and of modest value to (A) an executive, official, employee or agent of a governmental department, agency or instrumentality, (B) a director, officer, employee or agent of a wholly or partially government-owned or controlled company or business, (C) a political party or official thereof, or candidate for political office, (D) a foreign public official, or (E) any other person; while knowing or having a reasonable belief that all or some portion will be used for the purpose of:
  - (1) influencing any act, decision or failure to act by any such Person in his or her official capacity,
  - (2) inducing any such Person to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity, or
  - (3) securing an unlawful advantage; in order to obtain, retain or direct business.

(t) *Maintenance of Internal Controls:*

The Issuer shall duly maintain adequate internal controls for the purposes of:

- (i) preventing any act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the funds or revenues of the Issuer or any other act having a similar effect being committed by the management or any officer of the Issuer; and
  - (ii) preventing the use of the funds or revenues of the Issuer in violation of Anti-Money Laundering Laws and Anti-Terrorism Financing Laws and/or for other purposes not in compliance with Applicable Law.
- (u) The Issuer shall ensure that no Obligor shall become a FATCA FFI or a U.S. Tax Obligor.
- (v) *Financial Indebtedness*
- (i) The Issuer shall not, directly or indirectly, contract, create, incur or assume any senior Financial Indebtedness, except for the Permitted Indebtedness, without the prior written approval of the Debenture Trustee until the DSCR is less than (one decimal five-zero). *Provided that*, if the Issuer maintains a DSCR in excess of 1.50 (one decimal five-zero) at the end of any financial year, it would be permitted to raise further direct liabilities (having recourse to the Issuer) as per its requirements, from time to time, without requiring such prior written approval of the Debenture Trustee, on the condition that the Issuer continue to maintain a minimum Debt Servicing Coverage Ratio of at least 1.50 (one decimal five-zero) throughout the tenure of the Bonds.
  - (ii) Notwithstanding the provisions of sub-clause (i), the Issuer shall agree with the Debenture Trustee by furnishing the relevant guarantee document to the Debenture Trustee, a limit for availing bank guarantee facilities, which would be unconditionally and irrevocably guaranteed by the Government of Andhra Pradesh and without any recourse to the Issuer. As on the date of this Deed, this limit is fixed at INR 906,52,00,000 (Indian Rupees Nine Hundred and Six Crores Fifty-Two Lakhs only).
  - (iii) The Issuer shall not undertake any guarantee obligation(s) for or on behalf of any other Person.
  - (iv) The aggregate Financial Indebtedness availed by the Issuer (including all forms of guarantee obligations and contingent liabilities) should at all times be restricted to an amount such that the minimum Debt Servicing Coverage Ratio remains at least 1.50 (one decimal five-zero) times throughout the tenure of the Bonds.
  - (v) All subsequent Financial Indebtedness availed by the Issuer shall be *pari-passu* with, the Bonds, in all respects, including but not limited to seniority, guarantee by the Government of Andhra Pradesh (including the recourse mechanism / direct debit mechanism thereunder), security, servicing priority, circumstances triggering enforcement of Default Escrow Mechanism, and Event of Default
- (w) The Issuer shall take every necessary action and do everything under the Applicable Law in order to: (i) create, perfect and maintain the Security in full force and effect at all times (including the priority thereof) in accordance with this Deed within the timelines specified hereunder (or within such extended timelines as may be permitted

by the Debenture Trustee in writing), (ii) preserve and protect the Security and protect and enforce its rights and title, and the rights and title of the Debenture Trustee, to the Security in accordance with this Deed.

## **2. Information Covenants**

- (a) The Issuer shall submit to the Debenture Trustee a copy of all notices, resolutions and circulars relating to:
  - (i) non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities; and
  - (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings.
- (b) The Issuer shall promptly intimate the Debenture Trustee (along with the Designated Stock Exchange) if any of the following proposals are going to be placed before its Board:
  - (i) any alteration in the form or nature or rights or privileges of the Bonds; or
  - (ii) any alteration in the Due Dates on which Coupon on the Bonds or any Principal Amount is payable.
- (c) The Issuer shall promptly inform the Designated Stock Exchange and the Debenture Trustee all information having bearing on the performance/operation of the Issuer, any price sensitive information or any action that may affect the payment of interest or redemption of the Bonds in terms of Regulation 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (d) The Issuer shall give prior intimation to the Designated Stock Exchange, with a copy to the Debenture Trustee at least 2 (two) Business Days before the date on and from which the Coupon on Bonds, and the Principal Amount of Bonds becomes payable, or within such timelines as maybe prescribed under Applicable Law.
- (e) The Issuer shall submit to the Designated Stock Exchange for dissemination, such disclosures as may be required under Applicable Law, including but not limited to those required under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, along with its quarterly/annual financial results.
- (f) The Issuer shall submit/ provide to the Debenture Trustee all relevant documents/ information, as applicable, including in particular, the reports / certifications set out below, so as to enable the Debenture Trustee to submit the reports / certifications to the stock exchanges as required under the SEBI DT Master Circular as maybe amended from time to time:
  - (i) a certificate (certified by the statutory auditor of the Issuer) confirming compliance by the Issuer with the Asset Coverage Ratio requirements stipulated in this Deed, in such form as may be required by the Debenture Trustee, on a quarterly basis within 60 (sixty) calendar days from end of each Quarter or within such other timelines as maybe prescribed under Applicable Law;

- (ii) a certificate stating the value of the Secured Properties, in such form as may be required by the Debenture Trustee, on a quarterly basis within 60 (sixty) calendar days from end of each Quarter or within such other timelines as maybe prescribed under Applicable Law; and
  - (iii) a valuation report of the Secured Properties, in such form as may be required by the Debenture Trustee, on an annual basis within 75 (seventy-five) calendar days from end of each financial year or within other such timelines as maybe prescribed under Applicable Law.
- (g) The Issuer shall supply to the Debenture Trustee (in sufficient copies for all Bond Holder(s) if the Debenture Trustee so requests): (i) quarterly financial results within 45 (forty five) days of the end of each Quarter, and (ii) the annual audited standalone financial statements for each financial year (along with the documents specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) by no later than 60 (sixty) days from the end of the relevant financial year, in accordance with Applicable Law.
- (h) The Issuer shall submit such information from time to time as may be required by the Debenture Trustee pursuant to Applicable Law.
- (i) The Issuer shall promptly and forthwith inform the Debenture Trustee of any effect or change which may occur / has occurred, which may adversely affect the interests of the Bond Holder(s) or the Debenture Trustee.
- (j) The Issuer shall notify the Debenture Trustee of any Event of Default, or any potential Event of Default (and the steps, if any, being taken to remedy the same) promptly upon becoming aware of its occurrence.
- (k) The Issuer shall promptly and forthwith inform the Debenture Trustee, no later than 1 (one) day after the introduction of any Applicable Law that either restricts it from carrying out the business set out in its Constitutional Documents, or otherwise substantially alters the nature of its business activities.
- (l) The Issuer shall promptly and forthwith inform the Debenture Trustee, no later than 1 (one) day after:
  - (i) any of the Government Orders have been rescinded, superseded, or substantially modified by the Government of Andhra Pradesh; and/or
  - (ii) there are any orders passed in proceedings instituted before any competent authority in respect of any of the Secured Properties.
- (m) The Issuer shall provide information pertinent to a credit assessment of the Issuer undertaken by the Bond Holders as may be required from time to time, including, but not limited to, the latest financial information, rating letter and rating rationale, copies of the board and shareholder resolutions (as applicable) authorizing the Bonds and the latest company profile.
- (n) The Issuer shall, at least on each of the Funding Dates, provide the bank account statement of the Bond Servicing Account, the Debt Service Reserve Account, Contingency Reserve Account, and the Demat Account to the Debenture Trustee.
- (o) The Issuer shall provide to the Debenture Trustee, at the end of every Quarter a compliance certificate in relation to compliance by the Issuer with the financial covenants in such form and manner as may be required to the Debenture Trustee.



- (p) The Issuer shall provide all relevant documents and information as may be required from time to time, including its financial condition, business and operations, so as to enable the Debenture Trustee to conduct continuous and periodic due diligence and monitoring of the Security, in accordance with Applicable Law.

### 3. Further assurances

- (a) The Issuer shall permit the Debenture Trustee and its authorised representatives to inspect all records, registers and accounts of the Issuer. Any such representative of the Debenture Trustee shall have free access (after prior notice) at all times, to any part of the Issuer's records, registers and accounts and to all schedules, costs, estimates, plans and shall receive full co-operation and assistance from the employees of the Issuer. The cost of inspection, including travelling and all other expenses shall be payable by the Issuer to the Debenture Trustee in this behalf;
- (b) The Issuer shall furnish Information required by the Debenture Trustee for the effective discharge of the Debenture Trustee's duties and obligations, including copies of reports, balance sheets, profit and loss account etc.;
- (c) Upon occurrence of an Event of Default or Default, the Issuer shall not declare any dividend to its shareholders in any year until the Issuer has duly received authorisation to such effect from the Debenture Trustee in writing and the Issuer has paid or made satisfactory provision for the payment of the instalments of Principal Amount and Coupon due on the Bonds;
- (d) The Issuer shall obtain the prior written consent of the Debenture Trustee prior to undertaking any change in nature and conduct of business by the Issuer;
- (e) The Issuer shall keep the Debenture Trustee informed about any significant changes in the composition of its board of directors;
- (f) The Issuer shall keep the Secured Properties and in proper condition; and the Issuer covenants to pay or procure that all taxes, cesses, insurance premium with respect to the Secured Properties shall be paid (as the case may be) as may be required from time to time;
- (g) The Issuer shall not undertake or enter into any composition, compromise, settlement, restructuring, or any amalgamation, merger, demerger or corporate reconstruction scheme (whether proposed by the Issuer and/ or the Government of Andhra Pradesh or not), without the prior consent of the Debenture Trustee;
- (h) The Issuer shall and/ or shall cause the Government of Andhra Pradesh to keep the Debenture Trustee informed about any order, directions, notices, of court/tribunal affecting or likely to adversely affect the Secured Properties, and in this regard, the Issuer shall promptly provide or inform the Debenture Trustee of the details of all such orders, directions, notices, of any court/Tribunal affecting or likely to adversely affect the Secured Properties;
- (i) The Issuer shall furnish a quarterly report to the Debenture Trustee, within 30 (thirty) Days of the end of each Quarter, or such other timeline as may be prescribed under Applicable Law, containing the following particulars:
  - (i) updated list of the names and address of the Bond Holders;

- (ii) details of Coupon due but unpaid, and reasons thereof;
- (iii) details of payment of Coupon made on the Bonds in the immediately preceding calendar quarter;
- (iv) the number and nature of grievances received from the Bond Holders (i) resolved by the Issuer; and (ii) unresolved by the Issuer and the reasons for the same;
- (v) a statement that the assets of the Issuer is sufficient to discharge the claims of the Bond Holders as and when they become due; and
- (vi) maintenance of the debenture redemption reserve and investment of the monies lying therein as and if stipulated in the guidelines formulated (or modified or revised) by the Governmental Authority,

in addition to any other disclosures required to be made, or information required to be provided, by the Issuer to the Debenture Trustee in terms of Applicable Law.

- (j) So long as the Bond Holder(s) continue to hold the Bonds, the Issuer agrees and undertakes to comply with all Applicable Laws including the Act, all provisions of SEBI (Debenture Trustee), Regulations, 1993 as amended from time to time and SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021 as amended from time to time, SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended from time to time, the debt listing agreement entered into with the stock exchanges (where the Bonds are listed/ proposed to be listed) and/or this Deed;
- (k) The Issuer agrees that this Deed is also subject to such guidelines as may be issued by SEBI, Government of India, and other statutory or regulatory authorities from time to time.

#### 4. **Additional Covenants**

- (a) The Bonds shall be issued by crediting the dematerialized accounts of the Bond Holder(s)/beneficial owner(s) and the same shall be issued by the Issuer by following the procedure stipulated for issuance of the Bonds in dematerialized form.
- (b) The Issuer shall immediately on allotment of Bonds take steps to credit the beneficiary account of the beneficial owner(s) with the relevant depository participant with the number of Bonds allotted.
- (c) For payment to the Bond Holder(s)/beneficial owner(s) in full discharge of all Principal Amounts and Coupon due upon their Bonds, the Issuer shall make the payment of Principal Amount to the Bond Holders or to any subsequent transferees who are entitled to receive the payment on the due date of redemption on receipt of the necessary corporate debit action from the Bond Holder.
- (d) The Issuer shall, at all times until the Secured Obligations have been duly discharged, maintain the Bond Servicing Account with the Account Bank from which the Due Amount in respect of the Bonds shall be paid. The Issuer agrees and acknowledges that it shall also inform the Debenture Trustee within 1 (one) Business Day of any change in the Account Bank details.
- (e) The Issuer further acknowledges, agrees, and shall cause the Account Bank to acknowledge and agree, that the Debenture Trustee is authorised to seek redemption

payment and Coupon payment related details and information from the Account Bank in terms of the extant regulations of SEBI. Further, in case of change of account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter from the successor / new account bank.

- (f) The Issuer shall not make modification to the structure of the Bonds in terms of Coupon, conversion, redemption, or otherwise. *Provided* that prior approval of the stock exchange would also be required to make such modifications as per the Applicable Law.
- (g) The Issuer shall promptly submit any information, as required by the Debenture Trustee, including, but not limited to, intimations regarding all covenants of the issue (including side letters, breach of covenants (if any), accelerated payment clause, etc.).
- (h) The Issuer agrees and confirms that the Government of Andhra Pradesh will make payments under the Deed of Guarantee cum Undertaking free from any withholding or deduction into the Bond Servicing Account and/or the Debt Service Reserve Account (as the case may be) and that necessary confirmations have been issued to the RBI by way of the Defined Recourse Mechanism on or prior to the date of execution of this Deed. The Government of Andhra Pradesh has represented and warranted that the Defined Recourse Mechanism is in accordance with and does not breach any provision of the Constitution of India, the laws made by the legislature of the State of Andhra Pradesh and / or the rules made by the Governor of the State of Andhra Pradesh and / or any agreement(s) entered into by the Government of Andhra Pradesh with the RBI.
- (i) The Issuer shall ensure that the payment obligations of the Government of Andhra Pradesh under the Deed of Guarantee cum Undertaking will be recognized through requisite acknowledgement of the same in the budget of the Government of Andhra Pradesh, every year until the Final Settlement Date, and that the Government of Andhra Pradesh will provide for the payments of amounts due to the Bond Holder(s) during a particular financial year as a part of the relevant appropriation acts of the State of Andhra Pradesh.
- (j) The Issuer shall not, and shall procure that the Government of Andhra Pradesh does not, while the Bonds are still subsisting and outstanding, amend, withdraw, revoke or alter the written instructions to the RBI in relation to the Defined Recourse Mechanism, in any manner whatsoever, without the prior consent of the Debenture Trustee.
- (k) The Issuer shall procure that the Government of Andhra Pradesh ensures that the RBI shall honour all payment instructions provided by the Debenture Trustee by way of the RBI Notice within the specified timelines or as soon as the amounts become available in the RBI Accounts, in accordance with this Deed and the Deed of Guarantee cum Undertaking (including under the circumstances arising out of 'stop payment mechanism' or otherwise in terms of the ways and means advances and special drawing facilities in terms of the ways and means advances scheme and the overdraft regulations notified by the RBI).
- (l) The Issuer shall ensure that the Government of Andhra Pradesh shall not: (i) dissent to the instructions of the Debenture Trustee, and / or (ii) do any action which may prevent the RBI from acting on the instructions of the Debenture Trustee.
- (m) As on the Deemed Date of Allotment, the Government of Andhra Pradesh owns 100% (one hundred percent) of the shareholding of the Issuer and exercises Control over the Issuer. The Issuer shall ensure that the Government of Andhra Pradesh owns at-least

51% (fifty one percent) of the shareholding in the Issuer (on a fully diluted basis) and the Government of Andhra Pradesh continues to have Control over the Issuer, at all times till the Final Settlement Date, provided that any dilution of shareholding of the Government of Andhra Pradesh in the Issuer from the existing 100% to the permitted 51% shall be without affecting any provisions of the Deed of Guarantee cum Undertaking and with the full guarantee liability thereunder being that of the State Government of Andhra Pradesh, at all times till the Final Settlement Date.

- (n) The Issuer shall ensure that the Government of Andhra Pradesh complies with the provisions of Clause 6 (*Special Covenants and Undertakings*) of the Deed of Guarantee cum Undertaking, at all times till the Final Settlement Date.
- (o) The Issuer shall cause the Government of Andhra Pradesh to ensure that the RBI honours all payment instructions issued to the RBI by the Debenture Trustee pursuant to the Defined Recourse Mechanism.
- (p) The Issuer shall enter into / execute the relevant Identified Mine Documents and all other documents, deeds, notices, letters, agreements, declarations, undertakings, instruments and forms as may be required in relation to or in connection with or for the purposes of, the grant of quarry leasehold rights and mining rights in respect of the Identified Mines to the Issuer, within such time period as may be permitted under Applicable Law.
- (q) The Issuer shall ensure that the Government of Andhra Pradesh extends all reasonable assistance to the Issuer for facilitating the execution of the Identified Mine Documents.
- (r) The Issuer shall promptly undertake all steps necessary for receipt of all requisite approvals / consents / permissions (by whatever term referred to) from the Government of Andhra Pradesh and/or any other relevant Governmental Authority (including without limitation, required approvals from the relevant District Mines & Geology Officer (DMGO) / Divisional Mines & Geology Officer (Div. MGO)), as required under the Andhra Pradesh Minor Mineral Concession Rules, 1966 and other Applicable Laws in relation to execution of the Identified Mine Documents and the commencement of mining activity in respect of the Identified Mines.
- (s) The Issuer shall keep the Debenture Trustee apprised of the status of necessary clearances and approvals from relevant authorities (including without limitation, required approvals from the relevant District Mines & Geology Officer (DMGO) / Divisional Mines & Geology Officer (Div. MGO)), as required under the Andhra Pradesh Minor Mineral Concession Rules, 1966 and other Applicable Laws.
- (t) The Issuer shall ensure that all monies constituting the Revenue shall be transferred by the Issuer to the Revenue Collection Account at all times until the Final Settlement Date. To this effect, the Issuer shall issue irrevocable standing instructions in respect of all its existing bank accounts (other than the Accounts) where any of the Revenue is collected, instructing the banks with which such accounts are maintained to transfer such amounts constituting the Revenue to the Revenue Collection Account, on a daily basis. It is hereby clarified that in the event this arrangement is breached for any reason whatsoever, and the same is not remedied within 3 (three) Business Days, the same would be an Event of Default in terms of this Deed.
- (u) The Issuer shall promptly: (i) apply for the written consent of the Director of Mines and Geology, Andhra Pradesh / relevant Deputy Director of Mines and Geology in charge of the region(s) for the creation of Security Interest by way of the Deed of

Hypothecation; and (ii) apply for any other approval / permission as may be required for the creation of Security Interest by way of the Deed of Hypothecation.

- (v) The Issuer shall execute the Negative Lien Undertaking in terms of which the Issuer shall seek prior written consent of the Debenture Trustee prior to undertaking (or agreeing to undertake) the disposal or alienation of any part of the existing quarry leases / mining leases / mining rights of the Issuer (i.e., other than in relation to the Identified Mines) - including in particular, those relating to the 'Sulyari coal mines' and the 'barytes mines' - in any form or manner whatsoever till the Final Settlement Date.



## APPLICATION FORM

### The Andhra Pradesh Mineral Development Corporation Limited

A private limited company incorporated under the Companies Act, 1956#

# The Company is in the process of converting itself from a private limited company to a public limited company after obtaining all the required approvals and permissions.

**Registered Office:** D.No.6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India, 500004

**Telephone:** +91(0)866- 2429999 **Website:** www.apmdc.ap.gov.in | **Email:** cslegal-ho@apmdc.in

**PAN:** AAAC7391N | **CIN:** U13209TG1961SGC000871 | **LEI:** 335800S8NK5A3UC12866

**ISSUE OF SERIES I 2025-26 CONSISTING OF SENIOR, SECURED, RATED, LISTED, REDEEMABLE AND TAXABLE NON-CONVERTIBLE BONDS (“NCD” OR “DEBENTURES” OR “BONDS”) UNDER 9 DIFFERENT SUB-SERIES (A TO I) (“ISSUE”); SUPPORTED BY UNCONDITIONAL & IRREVOCABLE GUARANTEE FROM THE GOVERNMENT OF ANDHRA PRADESH (“GOAP”) OF FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH FOR CASH AT PAR, AGGREGATING UPTO INR 89,99,91,00,000/- (INDIAN RUPEES EIGHT THOUSAND NINE HUNDRED NINETY NINE CRORES AND NINETY ONE LAKHS ONLY).**

**(PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE FILLING THIS FORM)**

# Minimum subscription of INR 9 lakhs (comprising 1 Bond of INR 1 lakh face value in each sub-series A to I) and in multiples thereof.

<b>Tenor</b>	<b>2-10 YEARS UNDER 9 DIFFERENT SUB-SERIES (A TO I)</b>
<b>DEBENTURE APPLIED FOR:</b>	
Number of Bonds _____ In words _____	
Amount Rs. _____ in words Rupees _____	
_____ Crores only	

**Bank details of the Investor from where the funds will be transferred to the Bond Proceeds Account maintained by APMDC**

<b>DETAILS OF PAYMENT:</b>	
RTGS / NEFT	
No. _____ Drawn on _____	
Funds transferred to _____	
Dated _____	
Total Amount Enclosed	
(In Figures) _____ (In words) _____	
UTR No.: _____	

Category (Tick one)\*

<input type="checkbox"/>	Scheduled Commercial Bank	<input type="checkbox"/>	Co-operative Bank
<input type="checkbox"/>	Public Financial Institution	<input type="checkbox"/>	Mutual Fund
<input type="checkbox"/>	Insurance Company	<input type="checkbox"/>	Company/ Body Corporate
<input type="checkbox"/>	Primary/ State/ District/ Central Co-operative Bank	<input type="checkbox"/>	Provident/ Pension /Gratuity/Superannuation Fund
<input type="checkbox"/>	Regional Rural Bank	<input type="checkbox"/>	Others (please specify)

Investor Type (tick whichever is applicable)\*

<input type="checkbox"/> Qualified Institutional Buyers (“QIBs”)	<input type="checkbox"/> Non-Qualified Institutional Buyers (“Non-QIBs”)
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### APPLICANT DETAILS :

**USE ONE BOX FOR ONE ALPHABET LEAVING ONE BOX BLANK BETWEEN FIRST WORD AND SECOND**

Full Name																																					
Father's Name																																					
Fax No.											E-Mail																Tel. No.										

**Complete Address including Flat/House Number, Street, Locality, Pin Code**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

[illegible]

We the undersigned, are agreeable to holding the Debentures of the Company in Demat. Details of my/our Beneficial Owner Account are given below:

<b>DEPOSITORY</b>	<b>NSDL ( ) CDSL ( )</b>
<b>DEPOSITORY PARTICIPANT NAME</b>	
<b>DP-ID</b>	
<b>BENEFICIARY ACCOUNT NUMBER</b>	
<b>NAME OF THE APPLICANT(S)</b>	

<b>Applicant Bank Account:</b>  (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/ RTGS/ other permitted mechanisms)	
---	--

<input type="checkbox"/>	The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares
<input type="checkbox"/>	The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith -

We have read and understood the contents of Key Information Document dated May \_\_\_\_, 2025, hereby apply for allotment of the Bonds to us. The amount payable on application as shown below has been remitted herewith. On allotment, please place our name on the Register of Bondholders under the issue. We bind ourselves to the terms and conditions as contained in this Offer Document. We further confirm that, the subscription to bonds is made from our bank account as mentioned below.

Sl. No.	Name of the Applicant(s) / Authorized Signatories	Status / Designation	Signature
1.			
2.			

We understand and confirm that the information provided in the Disclosure Document is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

The Issuer understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and/or (ii) the hedging price being acceptable to the Applicants.

We understand that: (i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, (ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, (iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

## Annexure M

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Issue Document to such Transferee. [In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer harmless in respect of any claim by any Transferee.]

Applicant's Signature \_\_\_\_\_

FOR OFFICE USE ONLY

DATE OF RECEIPT \_\_\_\_\_

------(TEAR HERE)-----

### The Andhra Pradesh Mineral Development Corporation Limited

(A private limited company incorporated under the Companies Act, 1956)#

# The Company is in the process of converting itself from a private limited company to a public limited company after obtaining all the required approvals and permissions.

**Registered Office:** D.No.6-1-67/19/1 & 67/20, Flat No. 302, Super Classic Apartments, Saifabad, Lakdikapool, Hyderabad, Telangana, India, 500004

**Telephone:** +91(0)866- 2429999 **Website:** www.apmdc.ap.gov.in | **Email:** cslegal-ho@apmdc.in

**PAN:** AAAC7391N | **CIN:** U13209TG1961SGC000871 | **LEI :** 335800S8NK5A3UC12866

### ACKNOWLEDGEMENT SLIP

Sr. No. ....

Received from

M/s.....

Address.....

.....

.....

.....

.....

.....

City.....Pin.....

**ISSUE OF SERIES I 2025-26 CONSISTING OF SENIOR, SECURED, RATED, LISTED, REDEEMABLE AND TAXABLE NON-CONVERTIBLE BONDS ("NCD" OR "DEBENTURES" OR "BONDS") UNDER 9 DIFFERENT SUB-SERIES (A TO I) ("ISSUE"); SUPPORTED BY UNCONDITIONAL & IRREVOCABLE GUARANTEE FROM THE GOVERNMENT OF ANDHRA PRADESH ("GOAP") OF FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) EACH FOR CASH AT PAR, AGGREGATING UPTO INR 89,99,91,00,000/- (INDIAN RUPEES EIGHT THOUSAND NINE HUNDRED NINETY NINE CRORES AND NINETY ONE LAKHS ONLY).**

No. of Bonds	Amount in Rs.	Stamp

## INSTRUCTIONS

Investors are advised to comply with the following General Instructions:-

1. Application Form must be completed in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name. For example:

A	B	C	D		W	X	Y	Z					
---	---	---	---	--	---	---	---	---	--	--	--	--	--

2. Signatures should be made in English / Hindi. Signatures made in any other Indian language must be attested by an authorized official of a Bank or by a Magistrate / Notary Public under his / her official seal.
3. Application shall be for an amount of INR 9 lakhs (comprising 1 bond of INR 1 lakh face value in each sub-series A to I) and in multiples thereof.
4. Applicants may make remittance of application money through National Securities Clearing Corporation Limited.
5. The PAN should be mentioned in the Application Form and copy of the same may be submitted along with application.
6. In the event of Bonds offered being oversubscribed, the same will be allotted in such manner and proportion as may be decided by the Board of directors of the Company or a duly constituted committee thereof.
7. The bonds shall be issued in Demat form only and demat details shall be as provided to the issuer by EBP.
8. Income Tax as applicable will be deducted at source at the time of payment of interest and interest on application money. Those who are eligible and desirous of claiming exemptions of tax under Income Tax Act, 1961 are required to submit relevant certificate issued by the Income-Tax Officer and / or submit self declaration Form in duplicate as prescribed in the Income Tax Rules, along with the Application Form.
9. Receipt of application will be acknowledged by Issuer/ Arranger stamping the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.
10. The remittance of Application Money for subscription to the Bonds shall be made only from the bank account of the Applicant subscribing to the Bonds.
11. In the case of applications made under Power of Attorney or by limited companies, corporate bodies, registered societies, trusts etc., following documents (attested by Company Secretary / directors) must be lodged along with the application or sent directly to APMDC along with a copy of the Application Form.
  - a) Certificate of incorporation and Memorandum & Articles of Association
  - b) Resolution of the Board of Directors/trustees and identification of those who have authority to operate
  - c) Certified True Copy of Power of attorney granted to transact business on its behalf.
  - d) Form 15AA for investors seeking exemption for Tax deduction at source from interest on the application money.
  - e) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney
  - f) Resolution of the managing body of the foundation/association
  - g) Certificate of registration
  - h) Documentary evidence of the Demat details and DPID to be submitted by the investor along with application form.
12. The applicants are requested to clearly indicate the DP ID and Client ID details. In case these details are not filled up correctly, the investor shall have to bear the charges levied by NSDL for getting the credit Corporate Action conducted again.
  - i) Copy of PAN card
13. As a matter of abundant caution, attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who:*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

**Name of the Applicant:**

14. Please give the Complete Bank details like Bank Account Number, IFSC Code, Name of the Bank and Branch and Branch Code in the Column for Bank details for the purpose of payment of interest on application money through RTGS.
15. APMDC is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason whatsoever. An application form, which is not complete in any respect, is liable to be rejected.
16. All future communication should be addressed to the RTA (whose address is given below) or to such other person at such address as may be notified by APMDC from time to time.

Name: MUFG Intime India Private Limited (*erstwhile known as Link Intime India Private Limited*)

Address: C-101, 247 park, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083

Contact Person Name: Ganesh Jadhav | Email id: [ganesh.jadhav@in.mpms.mufg.com](mailto:ganesh.jadhav@in.mpms.mufg.com) | Website: [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)

Telephone Number: 9910402901 | Fax number: (022) 49186060

**PART - B (To be filed by the Applicant-Refer Application Form)**

i.	Name	
ii.	Father's name	
iii.	Complete Address including Flat/House Number, street, Locality, Pin Code	
iv.	Phone number, if any	
v.	email ID, if any	
vi.	PAN Number	
vii.	Bank Account Details	
viii.	Tick whichever is applicable	
a.	The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.-	<input type="checkbox"/>
b.	The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.-	<input type="checkbox"/>

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial of the Officer of the company designated to keep the record**